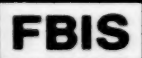


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Near East/North Africa Report

No. 2613



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1 September 1982

NEAR EAST/NORTH AFRICA REPORT

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DISCUSSION OF PLO'S MILITARY, POLITICAL OPTIONS

London AL-MAJALLAH in Arabic No 125, 3-9 Jul 82 pp 17-19

[Article: "AL-MAJALLAH asks a British expert and a Palestinian leader from the West Bank: 'The Palestinians: Where To?'"

[Text] What are the military and political choices before the PLO? What does the future hold, and what is the course to follow for the PLO among the ruins of Beirut? AL-MAJALLAH tried to find the answers to these questions through the following investigation which includes an interview with a Palestinian leader in the West Bank, and another with a British expert on Arab affairs.

The PLO was prepared to avert this fate from Beirut by expressing its willingness to surrender its heavy arms to the Lebanese army. The destruction of Beirut will not end the PLO. It is true that it would deal a blow to its military strength from which would require some time to recover, psychologically rather than actual material recovery. And it is true that it would lose some of its leaders. But the overall structure of the PLO would remain intact to a large extent. Contrary to its military strategy, where it was obliged to place all of its eggs in one basket, due to prevailing conditions in the Arab states surrounding Israel, its political strategy is based on the participation of every individual Palestinian in the PLO through the Palestine National Council, the Executive Committee, and a number of Palestinian institutions and organizations. And the PLO's political component is more important than the military component which was used as an instrument to reinforce the political component. Not even the most optimistic Palestinians ever thought that the PLO's military strength was the sole guarantor of realizing the Palestinians' ambition of creating their own state. Some military Palestinians argue now that the Lebanese civil war, and the formation of right-wing militias armed by Israel with heavy weapons and tanks, is what made the PLO acquire its own heavy arms, a state of affairs which transformed its military strength from one of guerrilla warfare into a quasi-regular army. The latter is not capable, under any circumstances, of standing its ground for long before the Israeli war machine with its murderous air cover.

But it is not enough for the PLO to be a purely political organization. The military arm, even though it has only been used in the last 4 years to confront the two Israeli invasions of Lebanon, is of utmost importance for preserving the political component, as a trump card in negotiations, and as an institution

absorbing the energies of the Palestinian people in the Diaspora and emphasizing this people's commitment and identity. And even if the military arm of the PLO suffers from the barbaric Israeli invasion, as Lebanese and Palestinian civilians have suffered, still, weapons can be bought, and there are plenty of men. Their numbers will increase, and they will flock in greater numbers around the organization than before, joining in its activities.

But the question that poses itself is the nature of the military options before the PLO if it loses its last strongholds in Beirut. Bashir Jumayyil claims that the Palestinians are the cause of Lebanon's ruin, as a result of the civil war that led to fragmentation of the state, the dispersion of the Lebanese army, and the effective division of the country into spheres of influence. He knows that he is exaggerating, because the seeds of the civil war in Lebanon were sown the day Lebanon's leaders approved the National Charter based on sectarian lines favoring the Maronite minority and placing most of the authority, power, and resources in its hand. The PLO was not in Lebanon when civil war broke out in 1958 with the deprived majority revolting against the prosperous minority. All indications are that Sharon will be in Lebanon for a long time, in order to facilitate its "liberation" from the Syrians and the remnants of the Palestinians. But a lengthy presence of Israeli forces in Lebanon would present the PLO with its first and most important military option, the choice of guerilla warfare in Lebanon's rugged mountains, which are perfect for that kind of war. David Gilmour, the British expert on Arab affairs says that long-term guerilla war along Vietnamese or Algerian lines would be constricted by the small size of the region, limiting the effectiveness of the Palestinian fighters and those Arabs who might join them. They would have no secure areas in which to retreat during operations, especially since they no longer have their principal bases in southern Lebanon. This analysis holds some truth, unless Syrian government policy were to change upon finding itself in an all-out confrontation with Israel, and allow fighters to pass through Syria's borders.

AL-MAJALLAH met with David Gilmour, former editor of the magazine MIDDLE EAST INTERNATIONAL author of "The Exiled: The Trial of the Palestinians, 1917-1980," to hear his views on the future of the Palestinians and the options available to them. Mister Gilmour is just like his father, the former Conservative Minister, friend of the Arabs, and supporter of their causes. When Israel began its barbaric invasion of Lebanon, he had just begun writing a book on Spain. But he dropped everything and embarked on writing about the Israeli invasion and its atrocities in British newspapers. In an article printed last week in the GUARDIAN, he said: "The Israelis expelled the Palestinians from their homes '48, '67, and '82. They shelled their pitiable camps on innumerable occasions. But to what end? Palestinian nationalism will not disappear, nor will the Palestinians, no matter how many are killed. Massacres like these only encourage more recruitment in the ranks of the PLO."

Gilmour differs with our opinion that the Israelis will try to occupy West Beirut. He says: "If Israel attacks Beirut, they will lose a lot of soldiers, because the Palestinians are highly proficient in street fighting. Even if Israel bombs Beirut from land, sea and air before they go into Beirut, it will be exposing itself to a high level of casualties. Therefore, I have a feeling that

the Israelis will not try to enter Beirut. In that case, the Palestinian military component will be saved, although it will be a smaller component in Lebanon. The military future of the Palestinians depends on what happens in the coming week. That in turn depends on the amount of pressure put on Begin by the American administration during his stay in Washington."

We reminded Mister Gilmour of the indications that the Israelis might try to occupy the Palestinian camps in the southern outskirts of the capital, since, as they claim, the camps lie beyond the range of Beirut. They can then claim that they kept their promise not to enter Beirut. He answered: "The problem with the Israelis is that one expects them to act in a negative manner, but they are doing their best to act even worse. When they commit themselves to a ceasefire, no one should be surprised when they violate it. And when they reach an agreement, no one should be surprised that they don't intend to carry it out. Their announcement of a ceasefire, which they broke as many times as they called for them, doesn't mean that they won't go into the camps in southern West Beirut. But I still believe that if they do try it, they will incur exorbitant losses, a state of affairs which many Israelis find unacceptable. I am confident that, so far, Israel's losses have been much higher than they admit. Many Israelis will ask whether it is very glorious to lose several hundred more Israeli soldiers in order to occupy the Palestinians' camps. The camps, as newspaper reports confirm, are well-fortified for defense, and the Israelis know this. However, if they are convinced of the necessity for such an attempt, then no treaties, statements, or ceasefires will dissuade them."

Gilmour doesn't believe that the National Salvation Council will succeed in arriving at a political solution to avert Beirut's destruction from continuous Israeli shelling, because the Israelis and the Phalangists won't accept it as long as there is no great pressure on Israel from the United States. He said: "I believe that Bashir Jumayyil will be extremely reluctant to allow the Palestinians to reassemble their forces in the camps around Beirut. But whatever happens, it appears that the immediate military future of the PLO is dark, although I don't believe that its political future is dark."

We told Gilmour that the Palestinians' loss of their heavy weapons doesn't mean anything, and won't affect the PLO's structure since the PLO's forces were originally trained at guerilla warfare. And they were never able to use these weapons to begin with, due to political reasons (the ceasefire agreement arranged by America), and strategic reasons, in which they would be useless in an all-out Palestinian-Israeli confrontation, unless they were part of a united Arab force. We asked him whether he agrees that the PLO's military tactics will turn into guerrilla warfare if the Israelis were to remain in Lebanon for long, especially in light of the reports out of Washington that the U.S. will not forbid Israel to build settlements in southern Lebanon. He said: "If Israel remains in Lebanon south of the Beirut-Damascus highway, then there will be ample opportunity for a Palestinian guerrilla war. The region is perfect for this kind of war. Also, the truth of the matter is that the Palestinians are still fighting in some areas there, and hence will inflict many casualties on the Israelis. But to take guerrilla war to the West Bank is not a practical strategy, because the West Bank cannot provide a suitable base for this kind of war, due to its

small area (perhaps 1/200 the size of Algeria), and because it would provide an excuse to Begin to empty the area of the population. But the situation in Lebanon is different. In any case, the Palestinians have no choice but to continue fighting. But the size of the area and the constraints imposed on the movements of the Palestinian fedayeen in the neighboring Arab regions (Syria) will not allow this kind of war to assume the style of the Algerian or Vietnamese war."

Gilmour rates the political component of the PLO highly. He believes that it is a complex system emanating from the Palestine National Council and the PLO's Executive Committee. His view is that there is some usefulness in creating a Palestinian government-in-exile. But Cairo is not an appropriate place for it because it would become bound to the Camp David Agreements. He says: "But the Palestinians face a serious problem. Wherever the control of an Arab government. And I don't believe that it is to the PLO's advantage to be wholly dependent on any single Arab regime, like that of Damascus or Cairo, for its existence and continuity. If the PLO goes to Damascus, it will not be able to undertake independent political or military initiatives without the approval of the Syrian government. And I don't think Jordan will welcome them even if they are disarmed, but it might become convinced to accept them. Dennis Healy, the British Worker's Party's spokesman of foreign affairs, said in Parliament that the Palestinian refugees in Lebanon must be ultimately settled in the West Bank. I agree with that view, and I believe that the Palestinians and the Arabs must do everything to counter the prevailing trend in the West Bank. Since Begin came to power 5 years ago, he has pursued a totally imperialist policy in the West Bank. It is up to the Arabs to counter this trend at any cost. After what happened in Lebanon, I think that many Palestinians want to leave after 14 successive years of Israeli shelling. And the best place for them is among their fellow countrymen in the West Bank."

The West Bank and the Gaza Strip

But, we said to Gilmour, Israel's basic objective in invading Lebanon is to break the back of the PLO in order to facilitate the submission of the Arabs in the West Bank who regard the PLO as their sole legitimate representative. So how will Israel agree to letting them into the West Bank at a time when it is endeavoring to expel the West Bank population by making life more difficult for it day by day? He answered: "That is correct. But there is currently wide-ranging world action being taken. The world knows what happened to the Palestinians in Jordan, and they know what happened to them in Lebanon. And the only place that any refugee wants to return to is the West Bank and Gaza. But I don't believe that anything along these lines will occur if the principal Arab states don't resolve their differences and agree on a peace plan accepted by the Third World, the Soviet bloc, and the Europeans. It is up to them to use their influence to convince the United States in the same manner followed by the Zionist lobby to achieve its aims. But the current situation in the Arab world and its fragmentation work against this. It is not necessary, in any case, for there to be Arab consensus on this plan. It is not important if Libya or South Yemen reject it. But it is desirable that it be a plan for two peoples. The first for resolving the Palestinian issue, and the other to end the suffering of the Lebanese people. One cannot be solved without resolving the other. The alternative to this, as British Foreign Minister Pim said in Parliament, is the resumption by the Palestinians to terrorism, as in the early seventies. I personally

understand the motivation behind such a change, but I believe that it would be a big mistake. Palestinian diplomacy achieved much during the seventies, and it was the most successful liberation movement of all times. It is true that Palestinian diplomacy was unable to regain a single foot of Palestine, but it did convince the world of the justice of the Palestinian cause. Nevertheless, it was unable to overcome a chief obstacle, namely, convincing the United States. But I still believe that it is up to them to continue along this course, and they might achieve this goal with the help of the main Arab states. In this manner alone they could regain their homeland, and not by hijacking airplanes and other means of terrorism practiced at a certain stage in the past."

Gilmour says: "I am a genuine friend of the Arabs. I believe that the Arab world owes it to the Palestinians to regain their homeland. And I believe that it is shameful that Beirut be destroyed--Beirut, the cradle of Arab nationalism, the cultural and economic center of the Arab World--in such a barbaric fashion, by foreign powers, without the Arabs trying to stop it by every means possible. I believe that if the Arabs close ranks now in confronting the Israeli aggression, then we could see some changes in the next few years along the lines of what happened in the wake of the disaster of 1948 in which no Arab army participated in, with the exception of the Jordanian Arab Legion, which gave a good performance. For this reason, there were coups in Egypt, Iraq and Syria, and King Abdallah of Jordan was assassinated. If the Arabs don't take decisive measures, we may see a recurrence of the same situation in the years to come."

Bassam Shak'a

This line of thought is familiar to all Arabs, and they talk about it day and night. But for a variety of reason, they are unable to accomplish it. Its time has passed. Serious steps must be taken quickly to unify Arab ranks through an extraordinary Arab summit. Since the start of the Israeli invasion, which as we mentioned earlier was mainly aimed at facilitating Israel's control of the West Bank as a prelude to its annexation, Israeli pressure on the Palestinian population in the occupied territories increased. To learn more about what is going on in the West Bank and Gaza, AL-MAJALLAH contacted by telephone Bassam Shak'a, the mayor of Nabulus who, along with most of the elected mayors, was dismissed by the Israeli authorities for their refusal to cooperate with the civil administration imposed by Israel on the occupied territories. We found Shak'a's morale to be very high. He said: "My morale is high, but it is linked to feelings of anger and loathing. The Israeli attack has led to increased solidarity among our people with its leadership, which proved its worthiness in the battles of Lebanon and inflicted a high number of casualties on the enemy, and continues to stand firm like no other army. It is Israel that cannot stand firm for long, because it cannot maintain 100,000 soldiers in Lebanon for an extended period. Otherwise, its economy will be dealt a severe blow, because most of the conscripts work in various public installations in normal life. But our faith in our organization and our national integrity, here and abroad, is mingled with bitterness towards public attitudes. America has vetoed every resolution in the Security Council clearly condemning Israel, and the European positions are not commensurate with the crime and the impunity with which human rights in the Middle East are being violated. But despite this, the West Bank feels proud."

We asked Shak'a why there has been no uprising on the West Bank as there was when Israel attempted to impose civil rule there. He said: "The occupied areas are in a state of constant struggle to confront the conspiracy of isolation aimed at the presence of the Palestinian people, and the annexation of its land to Israel. The battle is ongoing, and the battle of Lebanon has lent it new strength and resolve. The reaction is not seen directly, but it is taking effect. It is difficult to express a direct reaction under the iron grip of the enemy. But if one scrutinizes the spirit of the masses, he will realize the depth of nationalist feeling and the extent to which people rally around the PLO."

We asked him about the future of the Palestinian revolution in the wake of the barbaric attack against it in Lebanon. He said: "The future of the Palestinian revolution is assured. It shall achieve its aims of self-determination for the Palestinian people and the establishment of a state on its own soil. We are struggling with history, international law, and human rights on our side until we attain our rights. One of the positive aspects of the battle of Lebanon is that it exposed the criminal nature of Israeli ideology to the world, an ideology that depends on a war machine of destruction and murder. We are optimistic that there will be an increase in the number of peoples and states supporting us. We are optimistic that there will be a change in the Europeans' positions. We appreciate the position taken by France, Austria and Greece. We look forward to such a change not only in regard to our own cause, but in regard to all liberation movements in the world. But we still hope that the Arabs will move toward a stage of broader solidarity, and overcome this stage of polarization in the Arab world."

Shak'a spoke to us about the intense pressure on the people of the occupied territories. He said: "There are 970 military orders directing every form of daily life, and aimed at controlling the Palestinians and severing the individual's relationship with his land and with Palestinians on the outside. They are aimed at crushing national unity. The occupation wants the land, but not the people. Whatever people are left in the occupied lands are to serve the needs of Zionism." Shak'a told us how the Israeli military authorities resort to crushing the Palestinian person's sense of dignity. The Israelis went into a person's house in Halhul. They tried to force a young man to beat his old father. When he refused, they beat him until he almost fainted. His father even compassionately tried to get his son to beat him and hence save him from the torture of the Israelis. But the son refused.

Shak'a said that two-thirds of the land in the West Bank and Gaza are under the control of the Israelis, who also control the water supply and electricity. The pressure began increasing on those in the countryside to join the Village League, by threatening to prevent them from travelling, prevent them from exporting their produce, and by other oppressive means. But resistance to this pressure is fierce. The head of the Village League in Qilqilya, near Nablus, was killed by his own son. Similarly, Muhammad Nasr, from the Hebron area, was killed by a young man opposed to the Village League. Pressure started to be put on Nablus to form a Village League, in the form of open threats.

As for Ilyas Furayj, the mayor of Bethlehem and the last elected mayor to remain in office, believes that the people in the occupied areas were shocked by events in Lebanon and the failure of certain Arab states to do anything to help the Palestinians but mouth slogans. He said that people there feel isolated, and that they are going to come under the tender mercies of the Israelis government and the policies of Sharon. He said that the Israelis are intent on staying in Lebanon until they obtain the solution they want in order to put us under the steamroller. They are intent on placing their own men in the municipalities. "Therefore, I will resign before they sweep me out of the municipality of Bethlehem. Everything we built has been destroyed. It is up to us to start from scratch once again."

The road before the PLO appears to be a thorny one. But revolutionary and liberation movements' roads are not paved with flowers. We know the road is a difficult one. The PLO might emerge from this trial stronger than ever before, as Karim Khalaf said. But that will not be feasible unless the Arab nation extends strong assistance to help it back on its feet. The Palestinian revolution is the charge of the Arab nation.

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BEIRUT SITUATION, PLO MILITARY CAPABILITIES DISCUSSED

London AL-MAJALLAH in Arabic No 125, 3-9 Jul 82 pp 15-17

[Article by Muhammad Ma'tuq: "Arafat tells AL-MAJALLAH: 'The Military Arm of the Palestinian Resistance is not Destroyed'"]

[Text] Up until the middle of this week, "negotiations" were going on between the Israelis and Palestinians by way of U.S. envoy Philip Habib and a number of Lebanese personalities, at the forefront of which were President Ilyas Sarkis and Prime Minister Shafiq al-Wazzan. The negotiations were aimed at avoiding the battle of Beirut and at finding an "acceptable formula" by all sides that would lead to an "end to the military presence of the Palestinians in Lebanon," as demanded by America and by the Lebanese representative at the Summit Meeting of Arab Foreign Ministers in Tunis. At the same time it should be acceptable to the leadership of the PLO. These delicate and complicated negotiations were conducted in the wake of a new ceasefire which was reached after Israel encircled Beirut and seized an important part of the Beirut-Damascus road reaching to Bhamdoun. And despite the fact that Israel "submitted," under American pressure, to these negotiations, it nevertheless kept up its psychological war against the Lebanese and Palestinians, twice dispersing leaflets calling on the people of West Beirut to leave the city so as not to be caught in the Middle of the "battle," if it should occur. Thousands of people from West Beirut left for other areas in Lebanon.

The Lebanese and Palestinians expect that the awaited "battle for Beirut" will begin since the tenth of last June. Fighters who are resolved to resist the Israeli occupation to the death are on full alert. They are convinced that Israel will suffer a defeat only after a long and bloody battle in no other place than Beirut. The news of negotiations in Ba'abda, the residence of President Ilyas Sarkis, indicate that the Israelis have left the resistance no choice but surrender or death. And the resistance refuses to surrender.

The Israeli air maneuvers last Sunday came after a week full of heated political activity and savage air raids on West Beirut, in which the prevailing opinion was that Israel was paving the way for a decisive battle for the occupation of the first Arab capital since 1948.

The most prominent feature of political activity was what went on in the Committee for the Salvation of Lebanon, chaired by Sarkis and including representatives of the various Lebanese sects. Last Sunday the committee met for the first

time with all of its seven members assembled--the first meeting between the Lebanese fighters, the allies of the Palestinian resistance, on the one hand, and the allies of Israel, on the other. The atmosphere was glum. The Lebanese president did not give an opening speech but was satisfied with a brief welcome. Everyone got down to work to discuss the situation and how to get out of the mess. It was not long before the discussion turned to the demand for disarming the Palestinian resistance. When Sarkis turned to Walid Junblat, head of the Lebanese "National Movement", the young leader answered that he had to confer with the head of the PLO, Yassir 'Arafat, to find out his position. At that point, the commander of the "Lebanese forces," Bashir Jumayyil (the representative of the Maronites, intervened, saying, "If we have to confer with 'Arafat about every matter relating to the resistance, then we might as well invite him to the meeting." 'Arafat was not invited to the meeting, because the Committee is Lebanese, and its composition is based on the principle that it is for the Lebanese to decide the fate of their country themselves, removed from outside pressure. Nevertheless, the people assembled decided to split into two branch committees, one including the Muslims on the Committee charged with contacting the Palestinian resistance, and the other including the Christians and charged with contacting the American envoy Philip Habib, who assumed the job of speaking for Israel, also.

The following day, it was clear that the political communication between the parties concerned broke through many barriers and set some tell-tale precedents. Bashir Jumayyil disclosed that contact was made between his party (the Phalange) and the Damascus for the first time in many years, in which Phalangist officials asserted that they will not stab Syria in the back. Palestinian sources similarly disclosed to AL-MAJALLAH that a Palestinian delegation visited East Beirut and met with Phalangist officials, for the first time since the beginning of the Civil War in 1975-1976, and "long discussions took place about security and political issues." Palestinian sources themselves mentioned that a meeting was held between the American ambassador in Beirut, Robert Dillon, and Yassir 'Arafat, to inquire into the positions of both sides on the current crisis. These sources said that another contact was made between Palestinian officials and American officials in the last few days, adding that numerous contacts took place through a number of channels, and that a body other than American made the contacts with the PLO to form a position on the crisis, thereby complying with the official warning of the American administration not to have direct contact with the PLO.

'Arafat's Plan

In the last of these meetings, 'Arafat submitted a detailed plan for the solution of the current crisis. 'Arafat supplied this plan to the members of the National Salvation Committee who met with him to take to the Committee. AL-MAJALLAH learned that the plan, made up of four legal-size pages, places priority on a guarantee of an Israeli withdrawal to a distance between 5 to 7 kilometers from Beirut. The disengagement of forces would be followed by the entry of forces from the Lebanese Army and the United Nations, whose size and tasks are to be decided later, into the de-militarized zone. 'Arafat proposes in his plan that the Palestinians withdraw their active forces and their heavy arms from the streets of Beirut and transfer them inside the camps in Beirut on a geographical basis in accordance with the provisions of the Cairo and Mulkart Agreements which organized the armed Palestinian presence on Lebanese soil.

The plan provides that this should be followed by a balanced political solution to the Lebanese crisis in the context of which would ensue a disarming of the Lebanese Movement allied with the Palestinian resistance, and of the Phalangists, also. After that, the plan provides for a new organization of relations between the PLO and the Lebanese authorities in direct discussions removed from all pressure.

This plan was the subject of debate among the members of the National Salvation Committee in its second meeting, whose work was almost made impossible by Israel's savage military actions, especially its air bombing of Beirut. Junblat and his colleague Nabih Barri, head of the Shiite "Amal" movement, demanded that Israel adhere to the ceasefire because neither of them would conduct discussions "under the shadow of Israeli military plundering." When they threatened to withdraw and sabotage the work of the Committee, Sarkis was obliged to call Habib and relay to him Junblat's and Barri's demand, and have Habib relay it to Israel. That was the first time that Habib or any other person outside the Committee participated in its work. Habib was able to secure Israel's agreement to adhere to the ceasefire that wasn't to last very long. In this meeting, Prime Minister Shafiq Wazzan presented 'Arafat's proposal to Habib. And when Wazzan was asked whether this was the position of the Committee, he responded that it was. Habib posed the question to those assembled and they gave him their approval. As for Bashir Jumayyil, he did not speak and was satisfied with a murmur by which it was understood that he supported the opinion of the others.

There was no need to wait for Israel's answer the following day. Its answer to violate the ceasefire and escalation by air and cannon strikes against Beirut, indicating that it did not accept the plan. The Committee members were not surprised by Israel's negative response, relayed by Habib. Still, they started to share public opinion in Beirut that the Committee's work was doomed to rapid failure. Yet despite this, the Committee's members continued in their desperate efforts, meeting Israel's mad conditions, disregarding the destruction of Beirut with perseverance and patience, until it became clear to them finally that Israel does not want this Committee to present a comprehensive solution. Instead, Israel wants it to achieve the divestment of weapons from the Palestinian resistance and get it out of Lebanon.

Junblat Wept

This was the logical explanation for Israeli intransigence which was accompanied by a violent escalation in air and cannon attacks on Beirut. The matter was not without a touch of emotion. When certain members of the Committee went to see the leadership of the Palestinian resistance one time to relay Israel's conditions, several of the resistance's leaders informed them that the Palestinian resistance is ready--if the National Movement and the Muslims agreed--to withdraw to its refugee camps and take its weapons with it, and to fight from there in self-defense until the end. Then, Palestinian sources say, Junblat and Barri cried. The National Movement then issued statements announcing that it will not permit the slaughter of the Palestinian resistance and that it will fight by its side. Wazzan resigned from the government because he saw that there was an "international conspiracy" against Lebanon. That was after Walid Junblat resigned his membership from the Committee and the resignation of the two Druze ministers from the government in protest over the weak conduct of the Lebanese authority before Israeli-American conditions. This was how the Committee broke down.

After his withdrawal from the Salvation Committee, Junblat announced that America proposed the "liquidation, militarily and in principle," of the PLO, and the end of its role in Lebanon. But at the same time, he advised the resistance to leave Beirut. And in an interview with British television broadcast last Monday, Junblat said that the Palestinians must face reality and withdraw from Beirut, and called for a new Palestinian leadership.

The Saudi Role

The most prominent Arab pressure was the Saudi pressure that confirmed to some of the leaders of the Palestinian resistance that what was left of their hope for preventing "the battle for Beirut" rested with Saudi Arabia.

AL-MAJALLAH learned that there is a hot line between Riyadh and Beirut, with direct communication going on between King Fahd and 'Arafat, sometimes as much as three times a day. The Saudi monarch assured 'Arafat of "continuous efforts by every means available" to stop the Israeli war against Lebanon and the Palestinian resistance.

Lebanese sources say that Saudi Arabia is not only confining its communication with the Palestinian resistance to get Lebanon out of its current trial. It also carried on other communication with the Lebanese parties concerned, including the Phalangists, in order to neutralize them. The same sources say that the Saudi ambassador to Lebanon, 'Ali al-Sha'ir, sent a message in this regard to the commander of the "Lebanese Forces," Bashir Jumayyil, declaring in it Saudi Arabia's readiness to do everything possible in order to achieve Lebanon's sovereignty and independence.

The Palestinian resistance was the first party to learn of the split within the American administration due to Saudi pressure on the United States to coerce Israel into withdrawing from Lebanon. The Palestinian leadership was informed by telephone from Riyadh, the Wednesday before last, that everything was going well, and that the trial was coming to an end. That was before Philip Habib started to raise new questions that same day about whether the resistance had resolved to remain in Lebanon, to retain its arms, and adhere to Lebanese law and agreements. These questions came as a surprise to the Palestinian leadership, which was waiting, as was understood through communication with Riyadh, for Philip Habib to come to it with Israel's agreement on withdrawal in exchange for a renewed role for the Lebanese army and its legitimate position in Beirut and Lebanon. Another surprise was Israel's commencement of intense air attacks on Beirut in a "combing" operation which led to hundreds of victims in 3 consecutive days, and left no doubt that the Israeli occupation of Beirut was imminent. The situation remained like this up until last Friday when Israel announced, for the fourth time since the invasion began, a ceasefire in all Lebanese territory. That came just a little bit after the American President Ronald Reagan's announcement in Washington that Secretary of State Alexander Haig had submitted his resignation, that the President accepted it and appointed as his successor George Shultz, whom Arab newspapers described as leaning toward the Arabs (see Elias Harfoush's investigative piece).

The Palestinian leadership also gambled on an increase in public outrage around the world over the Israeli invasion, and the criminal actions against civilians that accompanied it. They also wagered on international action, especially European action led by France.

Nevertheless, the greater gamble was on Palestinian steadfastness in Beirut, and the ability of the exorbitant losses by Israel, and potential losses likely to be incurred, to dissuade the Israeli leadership from waging the battle for Beirut.

'Arafat Speaks to AL-MAJALLAH

'Arafat asserted to AL-MAJALLAH in Beirut that the military arm of the Palestinian resistance is still strong and intact. He said, "Our fighters are still active in Sidon and Tyre and Nabatiyah, and are harassing the enemy. And our forces in Beirut are capable of fighting for more than three months."

Beirut is living in a state of war. Its main streets are closed by barricades, and the side streets are all closed off. And Palestinian and Lebanese patrols explore the streets nightly, expecting a raid attempt by commandoes inside Beirut, in preparation for the invasion of Beirut or attempted assassination of certain resistance leaders.

After the wave of car bombs which killed more than a hundred people in two weeks, civilian traffic came to a halt since it became difficult to get around. Lebanese security sources mentioned that more than twenty booby-trapped cars failed to explode due to sheer stupidity in wiring them. Also, on-the-spot trials and executions by Palestinians and Lebanese took place for looters trying to exploit the difficult situation and plunder homes.

Beirut is suffering from extraordinary pressure on its hospitals, and some official buildings and hospitals have been transformed into field hospitals which no longer accept routine emergency cases but only those who have been hit in the shelling.

Moreover, there has been a cut-off in drinking-water and electricity. They are turned on only 4 hours every 2 days. There is also a huge shortage of food-stuffs. There is no milk, or gas, and, occasionally, no bread.

News of Israeli terrorism in the South make the situation increasingly alarming. The news reaching Beirut says that the Israelis are torturing people to death in the streets. This was confirmed by two Norwegian doctors who returned to Oslo last week. Just as the Nazis treated the Jews in the World War II, so are the Jews treating the Palestinians. They are painting their backs with white paint to distinguish them from the Lebanese, and to be kept under constant surveillance. All males over 14 years of age have been sent to detention camps.

An eye-witness told AL-MAJALLAH that the bodies of those killed in Tyre are still in the streets. Israel refuses to let them be buried, even though they have started to be eaten up and smell.

Yet, with all this, the resistance's military situation is good. This was confirmed to AL-MAJALLAH by the Deputy Commander-in-Chief of the forces of the Palestinian revolution, Abu Jihad. He added that "Israel's reluctance to enter Beirut is not due to their fear of public opinion, but rather fear of incurring an intolerable level of losses." Abu Jihad also said, "This is the longest Arab-Israeli war. Israel incurred more losses in this war than it did in both the June 1967 and the October 1973 wars." Abu Jihad estimates Israel's losses up until last week to exceed 1,500 dead and more than 3,000 wounded. He added that their losses in tanks and machines exceeded 150. Still, these figures do not take into account the size of Israel's losses in the event of a storming of West Beirut, as Abu Jihad emphasized. In that event, the minimal estimates of Israel's losses are put at more than 4,000 soldiers and 800 tanks.

A member of Fatah's Central Committee says that the Palestinian resistance "will not surrender even if only one person is fighting in Beirut," and that the PLO "will emerge from this trial more resolute and braver than before." He cited the example of the al-Karamah battle in March 1968, saying "The Israeli army was able to subdue al-Karamah, but Palestinian determination was strengthened. The battle of al-Karamah was turned into a new launching-point in the history of the Palestinian resistance."

At the political level, Abu Jihad says, "The first priority is on an Israeli withdrawal. Save for this, the PLO is totally willing to arrive at a new formula with the Lebanese government for the situation of the Palestinian resistance in Lebanon."

Of course, the "battle for Beirut" won't be over in a few days, or even one week, no matter what the Israeli plan for its capture is. For that reason, there is plenty of time for political and military Arab action. The Palestinian resistance has received assurances from more than one Arab state that Israel will not be allowed to enter West Beirut. The Syrian president Hafiz al-Asad informed 'Arafat last week that Syria will enter the war if Israel occupies the Lebanese capital. Will Begin's government risk an all-out war with the Arabs, testing the allegiance of the United States to it, keeping in mind all of the Arab money in Washington, Egypt's adherence to the "peace treaty" it has signed with it, and the increasing strength of the Israeli opposition to continuing military operations in Lebanon and the large losses of Israeli soldiers?

The answer lies with General Ariel Sharon, the architect and commander of the Israeli invasion who angered his fellow ministers, and the prime minister himself, because he behaves in an individualistic manner, behind their backs. Nevertheless, what is certain so far is that many convictions may fall with the fall of Beirut, and a new history will begin.

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CSO: 4404/574

INTER-ARAB AFFAIRS

DIRECTOR OF ARAB AGRICULTURAL DEVELOPMENTAL ORGANIZATION INTERVIEWED

Beirut AL-IQTISAD WA AL-A'MAL in Arabic No 37, Apr 82, pp 78-79

[Interview with Dr Hasan Fahmi Jum'ah, director of general of the Arab Agricultural Development Organization by AL-IQTISAD WA AL-A'MAL; date and place not specified]

[Text] With the renewed Arab interest in agriculture and food security, the activity of the Arab Agricultural Development Organization witnessed a clear development in recent years. This development is particularly evident in what the organization did, and is doing, in the way of drawing up plans for joint Arab investment in agriculture and food security projects and for developing skills and carrying out model projects. AL-IQTISAD WA AL-A'MAL met with the director general of the organization, Dr Hasan Fahmi Jum'ah, for an interview in which he appraised the various aspects of the organization's activities, achievements, and plans for the next stage.

[Question] What is the role of the Arab Agricultural Development Organization (AADO) and what are its tasks in the Arab World?

[Answer] AADO was founded as a specialized organization under the jurisdiction of the Arab League in 1972 and it began to function in 1974. Its charter defined its principal tasks as the establishment and development of relations between the Arab states and countries and the coordination of mutual assistance in various agricultural fields and activities, specifically:

- 1) Development of the natural and human resources available in the agricultural sector and improvement of ways and means of exploiting them scientifically.
- 2) Raising of crop and livestock productivity and achievement of the desired agricultural integration between the Arab countries.
- 3) Facilitation of the exchange of agricultural products between the Arab states and countries.
- 4) Work to boost agricultural production in order to achieve self-sufficiency.
- 5) Support for setting up agricultural projects and industries.
- 6) Elevation of the living standards of farm workers.

Achievements

[Question] What are the achievements to date?

[Answer] During its comparatively short life of no more than 7 years, AADO expended great efforts in a number of fields, the most important being studies, training, preparation of cadres, and carrying out some model projects.

With respect to studies, AADO undertook, as an Arab consulting firm to prepare a number of regional, national, and joint studies.

Assistance to Arab states in crystallizing and preparing agricultural plans and development projects.

AADO directed its efforts in this field to studies on the food problem. It mobilized almost 100 agricultural and economic experts to prepare these programs, which included proposals for 153 projects to develop food production in the Arab world in addition to a program for strategic food storage which aims at satisfying the need of the Arab states for grains as an essential foodstuff in view of the unexpected circumstances to which the Arab nation may be exposed, e.g., a decline in production or a general or partial food export embargo.

[Question] How do you assess the caliber of the Arab skills available in the agricultural sector and what actions are you taking in this connection?

[Answer] Most of the Arab countries are like most of the developing countries in this respect. They suffer from a shortage of these cadres, quantitatively and qualitatively. AADO has been greatly concerned with correcting this shortcoming. It has acted by establishing some specialized Arab training institutes like the Arab Forestry Institute in Latakia and the Arab Institute for Water Resources in Iraq. This is in addition to setting up a number of training programs in all branches of the agricultural sciences.

[Question] You spoke about some projects undertaken by AADO directly. What has it accomplished in this respect?

[Answer] The organization wants the projects that it executes to serve as a model either of method of execution or of administration. We now have projects under way in the Arab Republic of Yemen and Democratic Republic of Yemen, Somali Democratic Republic, and Syrian Arab Republic. These projects include the growing of potato seeds, production of seedlings of citrus and other fruits, raising bees to produce honey in addition to projects for the intensification of agriculture in Syria and fodder production in Somalia.

Joint Arab Projects

[Question] What is the status of the joint Arab projects?

[Answer] Despite the importance of the agricultural sector in the Arab economies, it has not as yet obtained a reasonable share of the joint agricultural projects. This despite the fact that the most important economic problem facing the Arab World is a shortage of food, which is considered to be a major result of the decline in the rates of development in the various branches of agriculture. There are only the Arab Company for Livestock Production, which is undertaking to devise joint projects in the field of animal resources development, and the Arab Commission for Agricultural Investment and Development, which is seeking to accept development projects in the Arab states, Sudan in particular. We hope in the future to broaden the scope of the joint Arab projects, both in number and size. The projects for food security that AADO has presented are regarded as suitable for expansion in such joint projects.

Plan for the Future

[Question] What is the work plan of AADO and its projects for the coming stage?

[Answer] The work plan of AADO will be determined annually by the decisions of the Council of Arab Ministers of Agriculture. One of the most important operations for 1982 is to deal with a group of agricultural problems in the Arab homeland and to authorize a number of studies aimed at creating a suitable climate for carrying out Arab food security projects in addition to numerous symposia to discuss agricultural matters of great importance, e.g., the symposia on mutual agricultural cooperation and on the use of solar power for agricultural purposes. AADO also intends to set up many training courses especially in the fields of statistics and preparation and evaluation of agricultural projects and their execution.

AADO is now making the necessary arrangements for the preparation of studies of technical and economic use in food security projects which require such studies. This will be done as soon as the Fund for Arab Financing approves them or a development contract [is concluded] which will facilitate direct completion of these projects.

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YAMANI INTERVIEWED ON OIL POLICY

London AL-DUSTUR in Arabic No 242, 12 Jul 82 pp 34-37

[Interview with Ahmad Zaki al-Yamani, the Saudi minister of petroleum, by AL-DUSTUR: "The International Energy Agency Lied, the British Government Committed Abuse, and the Large Companies Engaged in a Conspiracy"; date and place not specified]

[Text] [Question] Your excellency, the current oil crisis still exists on a number of levels. In your opinion, how did it develop?

[Answer] At the beginning of this year, we in Saudi Arabia and in the other oil-exporting countries felt that there was an intensive organized effort to lower oil prices. We noticed that newspapers and television programs in various parts of the world were discussing at length the possibility that the price of oil might go down as far as \$28 per barrel. It was said that Saudi Arabia also [illegible] lowering the prices. Many stories were being circulated about the demise and collapse of OPEC. We in Saudi Arabia have been entrusted with an important role to play in the field of energy, and we have always abided by our responsibilities in this regard. We do not believe that an end to OPEC would be in the interest of the consumers, nor would it be in their interest to lower the price of oil from \$34 per barrel to any level below that--not to mention \$28 per barrel. We know that the consumers--or at least some of them--are attempting to bring about a reduction in prices in order to find a way out of the current recession (in the economies of the Western nations) and to begin stimulating economic activity once again. [They want to achieve] of of this by means of reducing their oil costs.

[Question] You, of course, are not in favor of such a trend.

[Answer] No. There are other aspects of the matter which must be taken into account. One of these is the tremendous investment which has been made so far in the development of alternative sources of energy. There is also the situation of the many small companies which would be facing bankruptcy if the value of their stocks of oil decreased because of a decrease in prices. The fact is that, in the case of some of the barrels of oil stockpiled since 1979, or around that time, the cost [of stockpiling a barrel of this oil] is much higher than \$1. If we permitted a reduction in prices, we would thus be rendering a service

to the large companies which want to get rid of the smaller companies. This would not be in the interest of the consumers. In addition to this, pursuing such a policy would later on lead to a sharp rise in prices. It would not be right for us to simply shut our eyes and lower the prices. This might reduce the oil bills and invoices right now, but it would pave the way for another crisis either in the short run or in the long run.

[Question] How can a person be sure of this?

[Answer] My friend, let us recall that there was an oil glut in 1978. In June of that year OPEC met in Geneva. The members of OPEC decided among themselves, and without letting the press know about it, that they would start programming their production. And they actually did this. In 1978 the consumers were selling off large percentages of their stockpiled oil. They were doing this because they wanted to avoid the occurrence of a rise in oil prices. Then we were all of a sudden confronted with the Iranian revolution, and at that time very low levels of oil were stockpiled. What was the result of all of this? Instead of the consumers having to accept a price increase of \$1 or thereabouts, they were confronted with a price increase which was more than double the price which had been current at that time. This plugged the markets into a sharp panic crisis.

[Question] And now?

[Answer] Now we are witnessing a repetition of this process. Tremendous quantities of stockpiled oil are being sold off. In fact, far more is being sold off than was sold off last time. Although the parties concerned have told us that the amount of stockpiled oil being sold off amounts to no more than 1.5 million or 2 million barrels per day, beginning with the first quarter of this year, we nevertheless possess proof that this is not true. We know how to keep accounts, we know how to add numbers, and we know how to accurately discover at what rates stockpiled oil is being sold off. We believe that doing this is a mistake. And we in Saudi Arabia have decided to work toward restoring stability in the market.

[Question] Why has Saudi Arabia decided to adhere to the principle of achieving a balance [in the marketplace] when it was Saudi Arabia that engineered the current oil glut?

[Answer] Saudi Arabia always strives to achieve stability in the market. In the past we have not enjoyed any popularity among our colleagues in OPEC, or perhaps I should say that what we enjoyed was actually unpopularity. The reason for this was that we raised our production level to more than 10 million barrels per day. We maintained this production level for a long time. After that we began to gradually lower our production level. At the present time we believe that the most responsible thing for us to do is to follow a different course, by means of which we want to contribute toward achieving oil price stability. Before coming to the conference at Vienna (last April) we had set for ourselves a production ceiling of 7.5 million barrels per day. This made OPEC's overall production ceiling 18 million barrels per day. But in order to contribute toward bringing about stability in the level of prices, right after the conference was over we decided to take another step. This step was that of lowering Saudi Arabia's production ceiling to 7 million barrels a day, which would bring the overall

production ceiling of OPEC down to 17.5 million barrels per day. We decided to keep very close track of market developments. [We decided that] if it became necessary to lower this production ceiling, then we would lower it, and if it became necessary to raise it, then we would raise it. We are likely to either raise or lower this ceiling. I want to stress the fact that we may lower the production ceiling if this is necessary. There are two things which we are interested in--having oil price stability and guaranteeing that there will be supplies of oil in the world in the future.

[Question] Does this mean that Saudi Arabia is retreating from its previous position of maintaining its full constitutional right to determine its production levels and that it is adopting the principle of joint agreement concerning [OPEC's] production quota and the production share [of each member of OPEC]?

[Answer] No. We do not consider that OPEC is the place where production levels should be determined. Our official position is that we are not bound by any type of programming of production and that we reserve for ourselves the right to either increase or decrease our production--whatever the situation requires--in order to achieve price stability and to guarantee oil supplies for the future.

[Question] What was the production level before taking up the matter of dealing with the oil glut?

[Answer] Determining the production level depends on how you analyze it, and there are different ways of doing this, especially with regard to determining the quantities of stockpiled oil being set aside for sale, and the length of time [it is being sold]. The matter is open to a lot of conjecture. Perhaps the best guess is that it is approximately 19 million barrels a day, even though probably half a million barrels should be added to this figure. If we feel that the world's crude oil supplies are less than they should be or that prices are going above \$34 per barrel, then we will immediately open some of our valves.

[Question] Do you really expect to lower your production in Saudi Arabia to less than 7 million barrels per day?

[Answer] No, I do not expect that it will go down. I expect that this chaos which currently exists in the marketplace will come to an end. It is chaos which has been brought about by certain parties in the consumer nations.

[Question] What is the expected time-frame for this decrease?

[Answer] In January our production was 8.505 million barrels per day, and in February it was 8.539 million barrels per day. It is impossible for our production to be exactly 8.5 million barrels per day, even though this was the quota which we decided upon at that time. Our production in March was 7.5 million barrels per day, give or take a few thousand barrels. In April it was about 7 million barrels per day. The overall production of OPEC during the second quarter of this year was 18 million barrels per day, if we base this production figure on the fact that Saudi Arabia produced 7.5 million barrels per day, or it was 17.5 million barrels per day, if we base the figure on Saudi Arabia's production of 7 million barrels per day. In the future, if we feel that prices

are higher than they should be, we will increase production to 7.5 million barrels per day. If we feel that there is constant pressure to reduce the prices, then we will reduce our production to 7 million barrels per day. This is our situation in Saudi Arabia.

[Question] You said that it would be a mistake to bring prices below \$34 per barrel. However, in the Western nations it has been said that prices in the near future will range between this price [of \$34 per barrel] as a maximum price and \$28 per barrel. Will you permit the price structure to take a downward trend, or do you have in mind to freeze it at its current level for a long time?

[Answer] I believe that the price of \$34 per barrel is the limit decided upon by OPEC. But with its stabilization at this level, the real price is steadily going down. I am one of those who believes that it is better for the consumers to have a decrease in the price of oil via the monetary inflation which is afflicting the purchase value of prices. We are stabilizing it from the monetary point of view for a time period which will extend until the end of 1982 so that by the end of 1983 the real price level will have declined far below \$34 per barrel.

[Question] What is the official [price] stabilization period?

[Answer] OPEC's decision so far is that the price remain stable until the end of 1982. But I feel that it should remain stable until the end of 1983.

[Question] When will the official decision be reviewed?

[Answer] During the next regular conference which OPEC will hold at the end of this year.

[Question] Do you believe that this indirect reduction [of prices] is the best way to guarantee our energy future?

[Answer] If we do not reduce our oil prices now, if we freeze them until the end of 1983, and then begin gradually raising them according to the market situation, we will, in my opinion, be allowed to reach the end of this century without experiencing any crisis. This of course presumes that there will not be any political disturbances, and this is quite another matter which we are not discussing here.

[Question] If prices are frozen such that inflation leads to a decline in prices in real terms, will this not also lead to a decline in OPEC's financial profits?

[Answer] Of course. But if we reduce prices today, the decrease in profits will sink to a far lower level. Do not forget that we enjoyed a tremendous increase in our financial profits during the years 1974 and 1980. We in Saudi Arabia were fighting against this increase because we considered it to be a mistake. If we had not fought against it, the price of oil today would be far more than \$40 per barrel, and this would also be a mistake.

[Question] What is your opinion about prices right now?

[Answer] I believe that they have become stabilized to a large degree. We are in close contact with all parties concerned in the energy sector, and we are abreast of everything that is going on in it.

[Question] Are you confident that the other OPEC nations will adhere to the production levels which they agreed upon?

[Answer] There is no guarantee of this. What the members of OPEC have is not a "lack of agreement," but rather a "joint agreement" in which each member has his responsibilities. There is a ministerial committee which monitors price developments and production levels in each country, and knows what is going on. There are no more secrets in the oil industry. Everything in the oil industry is found out very quickly. However, I do not believe that the OPEC member nations find themselves in a situation which is critical enough to impel them to violate our agreements.

[Question] Does this include Nigeria?

[Answer] Yes. Nigeria is one of our primary concerns. Most of what we have been doing has been intended to help Nigeria.

[Question] How would you describe the overall health of OPEC?

[Answer] I believe that during 1979, 1980, and perhaps even during 1982, we suffered somewhat from obesity which made us incline toward excessive production. Limitation of this production this year was a useful process in terms of enabling us to regain our health.

[Question] Does your present convalescence mean that the crisis is over?

[Answer] I believe that the intensity of the crisis has greatly lessened. The oil glut emerged due to several factors, the most important of which was selling off the stockpiles of oil. We heard many voices in the Western nations warning against plunging into the selling off of stockpiled oil to such a harmful degree since those who were doing so were thus exposing themselves to dangers which still exist and which continually re-emerge. These actions [of selling off stockpiled oil] are a mistake and should be stopped. Furthermore, we have the extensive recession in the economies of the Western nations. This situation has not changed. Both of these elements have led to a decrease in demand for oil, and the demand is still low. If stockpiled oil ceases to be sold off, OPEC's production will inevitably increase. We will increase our production when we feel that [the selling off of stockpiled oil] has ceased. There are also other factors of change which will be influencing the future. We have already lost coal as a basic source of energy. There has been a tremendous decline in its consumption. We should spare no effort in combatting this trend in order to avoid falling into the clutches of a new energy crisis. We are concerned, in particular, with the interests of some of the member nations--for example, Nigeria. Nigeria has been subjected to great pressures, and certain powerful parties, by means of utilizing the media and by means of selling off stockpiles of oil, have been making an effort to put pressure on some of the member nations. This will not be beneficial to anyone, and is particularly against the interests of the consumers in the long run.

[Question] What is your opinion about the role played by the British government in creating and continuing the crisis in view of the fact that it reduced the prices of its oil, which is extracted from the North Sea, to \$31 per barrel?

[Answer] I believe that this is in line with what the large consumers have been attempting to achieve. But from now on we will perhaps see an increase in the price of this oil.

[Question] Do you believe that it is necessary to raise the prices of British oil in order to lessen the severity of the crisis?

[Answer] It certainly is.

[Question] How far should the prices go up?

[Answer] Up to the level of OPEC prices. OPEC has reduced the price differential between Arabian marker crude and [Arabian] light crude, and we have restored it to its historic level of 1978.

[Question] By \$4, for example?

[Answer] You can do your accounting however you wish.

[Question] How would you describe the link of the U.S. to this manufactured crisis?

[Answer] I have never heard of the existence of any link between OPEC and the U.S. In fact, we are complaining about the lack of such a link!

[Question] Then what is your opinion about those who criticize the U.S.'s role in creating the crisis?

[Answer] My opinion is that those who are criticizing the U.S. are its partners in Europe. They are the ones who are suffering from the sharp increase in U.S. interest rates. But I have never heard the Gulf nations criticize the U.S., unless they did so concerning the role played by the U.S. in the Arab-Israeli crisis. But this is another matter, and it has nothing at all to do with the subject which we are discussing here.

[Question] I believe that there is proof that the U.S. has played a role in the crisis, especially since President Reagan himself has attacked OPEC. In your opinion, which are the parties in the Western nations which have created the crisis?

[Answer] Take, for example, the International Energy Agency. At first we heard that the total amount of stockpiled oil being sold off was 3.5 million barrels per day. Then, all of a sudden, we heard that it was less than 2 million barrels per day. But we know that this is not true. We can bet on the fact that it is not true. When we receive false information about something or other, this arouses our suspicion. Our belief is that the amount of stockpiled oil which was sold off during the first quarter of this year totalled 4 million barrels per day. What would be the effect this selling off of stockpiled oil would have

on the large companies if the price were reduced from \$34 to \$28 per barrel? If we assume that the total consumption in the "free world" was 46 million barrels [per day] in 1982, 11 million barrels of which were consumed by the developing nations, then what we have left over is 35 million barrels, which is the amount that was consumed in the industrial nations. If we multiply this figure by \$6, we end up with more than \$6 billion per month, which would be the amount saved in the field of energy expenditures. This, without any doubt, would contribute toward putting an end to the economic recession which right now exists in the Western nations. However, this temporary gain involves paying an enormous price later on. It is a price which is not in the interests of the human race. If we freeze prices until the end of 1983, the production levels which we have imposed upon ourselves will be sufficient.

[Questions] Sufficient for both the Western nations and the developing nations?

[Answer] Yes, and we must bear in mind another matter. In 1979, in Caracas, I talked about the possibility of the emergence of an oil glut. Every economist in the world knew that the future was going to present us with an oil glut. Some of my colleagues laughed about this. Now I am saying that there is the possibility that a severe shortage of oil supplies will occur, especially if we proceed to lower the prices, as some parties would have us do. What we must do, then, is create market stability. We had enough instability in the seventies. What we must do is avoid making the same mistakes over and over.

[Question] Was the companies' role in creating the crisis merely a mistake?!

[Answer] The large companies, no doubt, have financial incentives for flooding the markets with sales of their oil stockpiles. But what certain other parties have undertaken in this direction was done in order to put pressure on OPEC to reduce oil prices. The oil companies, as such, have no interest in pursuing this policy because, in so doing, they would be reducing the value of their oil stocks. But large oil companies are, as you know, different from independent small companies. If we proceeded to reduce prices to approximately \$28 per barrel, as certain people would have us do, the [smaller] companies would immediately drown in the open sea and be swallowed up by the large sharks. Then the large companies would compensate themselves for what they had marginally lost by selling off their stockpiled oil. This is why we believe that the small companies would be the victims of this process and why we believe that the consumers in general would end up being the victims of this process later on.

[Question] Are you saying, then, that the problems which OPEC has had have been the result of a plot engaged in by the International Energy Agency, the large oil companies, and the British government? Or are you inclined toward the view espoused by the Western oil media and Western analysts who feel that [OPEC's problems] are the result of market forces and are of the opinion that OPEC itself contributed toward creating this crisis by raising oil prices more than it should have done and by flooding the market with greater quantities of its oil than it should have done?

[Answer] Both viewpoints are true.

[Question] Then who is really responsible for the plot?

[Answer] Unreasonable quantities of stockpiled oil were sold off.

[Question] If companies have quantities of stockpiled oil which are more than they should keep in inventory when confronted with a decrease in demand, whether this is due to a rise in prices, an increase in [oil] production, or to [other] more profound factors, is it not the normal thing for these companies to sell off their stockpiles of oil in order to cut down on their costs? Is this not in the nature of the system?

[Answer] All right. You then are not calling it a plot, but rather are of the opinion that it is a natural thing for the companies to strive to force prices down. But the fact is that this action is not in the interests of the small companies. Furthermore, it is not in the interests of the large companies if a large international organization is allowed to tell lies. If you feel that all of this is something which is normal, then you are free to hold this opinion which you have arrived at. But I maintain that, in the oil industry, selling off such extremely large quantities of stockpiled oil is something which is not normal.

[Question] What is your opinion about what is being said that the tremendous rise in prices during the last 10 years was something which was abnormal.

[Answer] It is wrong to talk in terms of 10 years. If prices had not risen since 1973, today we would be confronted with really shocking prices. It was not at all unnatural. Stabilizing prices then and during this entire period would not have been a successful solution. This would have plunged us into a deep economic recession.

[Question] What is your opinion about the raising of prices which took place between 1979 and 1980?

[Answer] It was a mistake on our part. We [in Saudi Arabia] were against it and we fought it.

[Question] So you agree that the companies are responding to the existing situation, within the framework of familiar principles, according to an existing system, and that one cannot follow part of the system without embracing the whole system?

[Answer] The companies made a mistake when they contributed toward having the situation go out of control.

[Question] So were the mistakes made by all of you?

[Answer] Why should we not admit this? One must be frank. There is no reason to be embarrassed about telling the truth. In any case, this is our opinion. During the 1979-80 period we made a mistake by allowing ourselves to raise the prices as high as we felt like raising them. But we, in Saudi Arabia, hastened to put a brake on this process and thereby acquired a good deal of unpopularity

for ourselves. We agreed to have our price level be far lower than the price levels of our colleagues. We thus sustained billions of dollars of losses for the sake of OPEC and for the sake of the whole world.

[Question] I believe that there are many people throughout the world who do not share your opinion concerning this sacrifice.

[Answer] No problem! If everybody in the world agreed with each other, then the world would be a worse place in which to live. I am merely presenting my individual interpretation in all sincerity and truthfulness. You are free to accept it, reject it, or dispute it however you wish to. But I maintain that our individual interpretation and this opinion [of ours] have consistently followed the same path the whole time. We have not zigzagged and have not made about-faces.

[Question] What surprises me is that you have suggested that the companies, by selling off their stockpiles of oil, are maneuvering and plotting, whereas [in reality] they are following the normal laws of the marketplace which are a fundamental part of the existing system.

[Answer] I did not say that the companies are doing this. I merely said that it is not in their interest to do so. Please review the text of the interview and verify this for me.

[Question] Excuse me, you did say that the companies were engaging in plotting, or else you implied this in your analysis.

[Answer] I merely said that this was not in the interest of the companies--especially the smaller ones, in view of the fact that they are small and independent. If the oil prices go down, this will lead some of them to bankruptcy. The fact is that they are financed by banks, the banks will call [the loans made by the companies] when prices go down, the oil will then be sold [by companies] at very low prices, and then these companies will fall into the clutches of bankruptcy.

[Question] Does it worry you at all that the production capacity of some of the industrial countries is growing in a direction which is designed to lessen their need for oil and reduce their consumption of it?

[Answer] In their energy conservation, the consumer nations right now cannot do more than they have done so far. Any further effort in this direction will lead to a deepening of the economic recession. Take, for example, what is going on right now in the U.S. because of efforts to conserve energy by reducing gasoline consumption. The masses of people have started to drive smaller cars. But the automobile industry in the U.S. was not prepared to produce enough small cars quickly enough. The result was that the consumers started buying Japanese cars and thus there has been a sharp rise in the number of Japanese cars imported to the U.S. This brought the U.S. automobile industry into a very deep recession, and it also affected other broad sectors of the U.S. economy which are linked to the automobile industry. All of this economic recession which we see going on in the U.S. has been a result of energy conservation.

[Question] And then it spilled over to the economies of the other Western nations?

[Answer] Yes. We urge other people to practice energy conservation. But if they go to extremes in doing so, then they fall into the clutches of recession. If more energy conservation is practiced now, then the recession will get worse. In the long run coal will remain the only competitor [of oil] among the alternative sources of energy. Unfortunately the consumption of coal is declining because of the narrowing gap between the price of fuel oil and the price of coal, especially in Europe. What we must do is take a longer-range look into the future rather than simply shutting our eyes and thereby harming our interests and the interests of our future generations.

[Question] How is the present crisis affecting OPEC's capital surpluses?

[Answer] If we take OPEC as a whole, its capital surpluses right now are zero. But if we view the member nations individually, most of them are forced to rely on these surpluses to deal with their balances of payments.

[Question] What has OPEC done in the realm of formulating a long-range pioneering policy?

[Answer] It has done nothing. It has merely undertaken some studies.

[Question] In the past, some of the countries granted price discounts and violated the production quotas which had been set for them. To what degree has OPEC [now] achieved some degree of self-discipline?

[Answer] We are not the police and we do not tell people how to behave. We are merely members of an organization. We believe that the pressure which some of the member nations have been subjected to is either on its way toward disappearing or has become much less than before.

[Question] Some of the oil-producing nations are now confronted with great dangers in the political realm.

[Answer] I assure you that we are not in danger, and I hope that the war will come to an end since this is in the interests of the Arabs.

9468

CSO: 4404/607

PERSIAN GULF AFFAIRS

PRESIDENT OF GULFAIR STRESSES COOPERATION BETWEEN ARAB AIRLINES

Beirut AL-IQTISAD WA-AL A'MAL in Arabic No 37, Apr 82, pp 44-45

[Interview with 'Ali Ibrahim al-Maliki by Muhammad 'Abd al-Fattah Khadar, date and place not specified]

[Text] Anxiety over competition has begun to affect the airline industry in the Gulf states. It is considered the second largest industry of its kind in the region. The executive president of Gulfair 'Ali Ibrahim al-Maliki talks in the following interview about the nature of this competition and the condition of Gulfair, tariffs, and cooperation with Arab airline companies.

[Question] How do you evaluate Gulfair's 1981 results?

[Answer] 1981 witnessed sharp competition between the airline companies in general and the Gulf region in particular where the traffic increased in 1981 about 8 percent while the movement of planes and reported capacity increased 30 percent. This means the supply was greater than the demand and, consequently, the price war intensified. In spite of this competition, Gulfair realized excellent profits since the initial results show that the 1981 profits exceeded the 1980 profits by 250 percent.

As for operational results, 1981 saw a great improvement in on-time arrivals and departures. Despite the excellent profits that we realized, the level of service on our planes remained what it has (always) been.

[Question] What is Gulfair's investment policy? Do you intend to buy new planes to back up the present fleet?

[Answer] The international and local air transport industry is passing through a stage of intense competition, and survival in this industry will be the lot of those companies which carefully plan their future expansion at a time when it is difficult to predict what will happen tomorrow. Proof of the success and ability of any organization to do careful planning is revealed by what it has in the way of surplus equipment. Gulfair does not have a single plane in excess of what it needs. This in itself is an indication of the degree of care in planning.

We look upon any expansion of the company as growth based on strictly economy grounds. We therefore place at the head of every new budget a certain percentage of income earmarked for investment in new routes. For example, in 1981 we did not invest any money in any routes and, as a result, we did not expand. Instead, we reduced the number of trips over certain routes to ensure the economical operation of every route. An indication of our success in this policy is the excellent profit that we realized.

Therefore, the purchase of aircraft or expansion of any route is based on the economic factors that will emerge in the coming years. We look upon 1982 as a year of planning for the future. I expect us to succeed in this.

As for new routes, we have plans for routes, including operating to and from Tunisia, Jordan, and Cyprus and operating round-trip tours between Cairo and London.

[Question] How do you assess the Arab air transport market in light of the latest IATA meeting which was held in France?

[Answer] I attended an IATA meeting for the first time in the belief that I would benefit greatly from the experience of leaders of the world's air transport and that I would return with new ideas concerning the economics of air transport and improvement of operations and profitability. Imagine my surprise when I found the conference turned into a series of lamentations with everyone bewailing his luck and charging the next one with dishonorable and unfair competition.

I discovered that if we were not in a better position than everybody else at the conference, at least we were among the successful ones among those present. There were companies with excellent performance records as well as companies that lost in 1981 what they gained in all the years before. These results were due not to poor management but to the condition of the world market, economic stagnation, and increased operating expenses at a time when everyone was calling for the adoption of a policy of poorly considered reductions. The best evidence of this is what happened to the Laker company.

This is the world air transport situation. As for Arab air transport, we are still in good shape, thank God, with most of the Arab companies much better off than their counterparts elsewhere in the world. But how long will we be in this situation. The answer to the question depends first and last on the air transport policies of the Arab governments.

[Question] There are those who believe Arab tariffs are higher than others. What is your view? Can fare reductions encourage transportation and stimulate tourism?

[Answer] More important, there are those who believe high fares in the Arab region are responsible for the weakness of tourism between the Arab countries. The main reasons are the unstable political situation, weakness of the travel sector in most of the Arab countries, and difficulty of obtaining the necessary reduced rates--as evidenced by people who go to London and pay 400 dirhems for a ticket but go less frequently to Cairo, although a ticket costs no more than 200 dirhems. Nevertheless, Gulfair called for, and still calls for, a lower tariff within the Arab region. I did this at the direction of the Qatar government when I was deputy director of civil aviation and I asked the Civil Aviation Council of the Arab government 2 years ago to study this proposal. Last June, representatives of the Arab companies met with the directors of aviation and agreed to form a joint higher committee to meet from time to time to study problems of air transport between the Arab states and rates. I hope the committee will comply with the requests of the Arab governments and their peoples.

But as long as costs keep rising steadily, there will be rate increases. I want the increases to be based on world-wide economic considerations and not on the high costs of any particular company, i.e., they should be based on the transport economics of well-run companies.

[Question] What do you think of the actual coordination existing between the Arab airlines? And what has become of the technical consortium plan for the five companies--Gulf, Saudia, Kuwait, 'Aliyah, and MEA?

[Answer] We had good results from coordinating many things among the Arab airlines, e.g., ground services in some airports and exchange of spare parts. Much is expected to be done, such as joint purchase of consumer goods and the desired capital. For example, if the Arab airlines decided to purchase together the plastic drinking glasses used on the aircraft, they would have large sums of money. And they might build a factory to manufacture these glasses in one of the Arab countries. This is a simple example of the many things that could be achieved by coordination and mutual cooperation. What is also urgently required is the creation of ground service companies in international airports to serve only the Arab airlines. This would reduce the costs that fluctuate with the mood of the general service companies, which raise prices whenever they wish and most of the time show no interest in the time factor when performing their services, although they know that time is what airline companies sell their customers. This is what makes the use of an airplane preferable to the use of an automobile or boat. Gulfair will continue to cooperate with the five companies. We hope to succeed in laying a thoughtful and healthy foundation for cooperation between ourselves as airlines companies since the Arab Air Transport Union is still the principal umbrella under which this cooperation takes place.

[Question] Have you set a definite policy regarding freedom of competition (deregulation) and what steps have you taken in this respect, especially concerning price and transportation rights in the region?

[Answer] The Atlantic and Middle Eastern markets cannot be compared. They differ in nature and volume of traffic. The Atlantic market is 10 times larger than the Middle Eastern market. Yet deregulation has ruined it. If the principle of "deregulation" were to be applied to our region, what would happen to us? There's no doubt the greatest loser would be the Arab airline companies. For example, the companies that operate in accordance with the fifth freedom in the Atlantic market have not been affected by the current crisis, whereas the American and European countries that operate in accordance with the third and fourth freedoms have suffered staggering losses.

In the Middle East, negative signs are indicating that what happened to the Atlantic routes will happen to ours. Most of the companies operating to and from the Gulf region in accordance with the fifth freedom are doing so under temporary authorization without official agreements and are not bound by any prices in a way that is worse in the deregulation policy. Its prices change from day to day, depending on load capacity. If one of the companies found that its planes flying over the Far East-West route would disembark 100 passengers at its Gulf stop, it most likely would offer empty seats at very cheap prices not commensurate with the cost.

I want to make it clear that Gulfair is not against reduced prices. But it does favor announced, clear, and stable prices. If they remain a secret between a company and an agent--this is what we cannot accept. What we will do to achieve it is to set reduced prices and tell everyone they are based on purely economic considerations.

What this region needs are laws to limit unfair competition. I said before, and I repeat now, that Gulfair can fly passengers between Paris and London and back at a price much lower than that offered by the British and French airlines. The reduction here will amount to 50 percent of the current price. We will still make a profit because the price of a ticket from the Gulf to Paris or London will cover our expenses, and any extra dollars that we get from flying between these two cities are pure profit. This applies to all the companies that carry passengers between the Gulf and Europe or the Gulf and the (Far) East in accordance with the fifth freedom. These companies are no better than Gulfair in performance, operating costs, or density of routes.

What we expect is that 1982 will witness the end of unfair competition because of the great understanding shown by the governments of the countries that own Gulfair and because of mutual cooperation with our brothers in the Gulf Cooperation Council [GCC] where the directors of civil aviation in the GCC held their first meeting in Bahrain at the beginning of this year and later on submitted recommendations to the responsible ministers in the GCC. I am confident that the necessary steps will be taken to protect the second

largest industry (air transport) in this part of the world. It will earn a total of 1.80 billion Bahraini dirhems this year from which the three companies of the GCC will obtain one-fourth each, with the balance going to the foreign companies that benefit from the competition between the region's airports to attract traffic to them.

5214

CSO: 4404/444

SCIENTISTS DEBATE OVER GROUND WATER RESERVES

Cairo MAYU in Arabic 19 Jul 82 p 6

[Article by Rif'at Fayadh: "Six Million Feddans Searching for Life; Egypt's Scientists Divided Among Themselves"]

[Text] The problem of ground water in the Western Desert has surfaced, along with whether or not millions of feddans can be used for agriculture. There are two schools of thought; the first asserts the water's presence, and the second says no. However, which is correct?

The issue of the existence of ground water in our Western Desert has surfaced. This issue has gained in importance recently from the discovery of 6 million feddans suitable for agriculture in the southern area of the Western Desert, and the oil sector's drilling a group of wells, through which the existence of water, in large quantities, has been confirmed.

This has raised an important question. Is Egypt located over a large lake of ground water? Is the water of the Western Desert in fact sufficient for agriculture on 6 million new feddans?

The views of Egypt's scientists are varied and differing. Some of them assert with great fervor that the ground water is in fact there and is renewable, and they demand expediting agriculture in the new feddans. Another group, with the same degree of fervor, says no, the water is stored and not renewable. As for cultivating the land there, that would be a disaster. Should we cultivate it with our hands, even if we have to bring the water there by airplane!?

Dr Muhammad al-Bahi al-'Aysawi, director general of regional geology in the State Organization for Geological Surveys, and one of the senior ground water experts, stresses that our ground water is stored and not renewable. It has existed in the Western Desert for eons.

He says that the conviction that ground water was renewable existed until Professor Heinz of Arizona University took various samples in many areas of the desert. Those samples proved that the age of the ground water did not exceed 25 years. In other areas, especially in the wells of al-'Awinat, it was only 10 years. The American scientist confirmed that the quantities of water that existed were collected from rainfalls. "There was shock when we conducted our

and proved that there was no more than six jerry cans of water in 1 day, and after that the well was dry. This does not prevent stored water in large quantities from being present, because the rains that fell in the Pleistocene era were in copious amounts."

The Wadi Qina is Better!

Dr al-'Aysawi went on to say: "Why should we cram ourselves into the middle of the desert and run the risk of exploiting difficult land, when we have Wadi Qina, whose 3 million feddans could be cultivated, especially since it is near the Nile waters."

He added that the Western Desert agricultural project is doomed to failure before it begins for several reasons, the most important of which is its location close to the Sudanese border, where there are no agricultural laborers. "What is the logic of cultivating this area, especially since the cost of producing a crop there would be twice the cost of importing it?"

"As regards the announcement concerning the discovery of 6 million arable feddans in the southern part of the Western Desert, this is an old story that has been known since 1959. The important issue is what is to be done there and how? And what will the profit be?"

Why the Optimism?

Dr Ahmad 'Awidhah, a professor in the Geology Department of the Cairo College of Sciences, has another point of view. He says: "Dr al-'Aysawi has made the picture completely one-sided! The facts are otherwise. We are always in a hurry!"

"The Western Desert represents one-fourth of Egypt's total surface area. How can we easily study this awesome area. We would need to commit thousands of specialists in all disciplines and scores of years, in order to enable us to reach a decision about the reality and nature of the Western Desert as a whole."

"Why not plant 10,000 feddans as a start, after reclaiming them. Then we can generalize about the experiment after its success. The certain fact is that the ground water is there. The important point is to learn the extent of the annual replenishment of the water reservoirs. This is not governed by one or more wells. We can then generalize its results over 700,000 square meters."

The Oil Sector is Sure

The oil sector, through its drilling operations in our Western Desert since 1976, has arrived at some important and confirmed facts.

Geologist Husayn Kamil says that the State Oil Company, between 1976 and 1980, evaluated ground water sources in Egyptian deserts. While searching for oil, it conducted several studies in Western Desert areas. The company selected the area of Wadi al-Natrun to study fresh water reservoirs in the Western Desert.

It was apparent from the study that the thickness of the water-bearing levels in this area amounts to about 650 meters, and that the quantity of water that could be exploited annually from the reservoir is estimated at about 18.5 million square meters, sufficient to irrigate 5500 feddans.

The studies made by the company in the area south of al-Qattarah revealed that the thickness of the reservoirs there ranged between 1500 and 2000 meters, and the quantity of water that could be exploited in these areas was 264 million square meters in the Bahriyah oases and 140 million square meters in the Siwah area.

On the Contrary, 15 Million Feddans!

Dr Ahmad 'Awidhah added that the results of the analyses, conducted by the U.S. Sonoco Oil Company on approximately 80 samples of water from several wells in Egyptian oases, proved that the underground reservoir was not connected to the Nubian sandstone, with respect to some of its components, which is evidence that the water in this reservoir does not flow from the southern part of the Western Desert, "the Dakhilah and Kharijah oases," toward the north, "the Bahriyah and al-Farafirah oases." It is therefore unlikely that Nile water is a source of this water.

He says that the company made a study regarding the natural resource potential of the southern area of the Western Desert and east of al-'Awinat. "That study resulted in the discovery of an area not previously known in the al-'Awinat area, with a surface area of 60,000 square kilometers, covered by clay soil, extending for approximately 15 million feddans.

"Twenty-one wells were dug in this area, which gave us fresh water beginning from 3 meters to 47 meters below the surface. It extended to 140 meters with continuous digging, and the water poured out.

Two Hundred Times Bigger Than Lake Nasser!

Among the supporters of the presence of ground water in large and renewable quantities is Dr 'Abduh Basita, former dean of the Desert Institute, who is convinced that the least water present is 1 billion square meters of fresh water in very abundant quantities. However, the question is, is it economically exploitable? What are the amounts that can be withdrawn? He believes that the ground water in the Western Desert is not separatable, but is interconnected.

Engineer Husayn Idris, an expert in reclamation, is more optimistic. He says the issue is not whether the underground reservoir is connected or separated, but that "the important point is how can we exploit it, and the extent of its effect on other reservoirs. Is it reasonable for us to dig wells and conduct tests on them, and then later close them up without benefitting from them, as the oil sector has done in the south?"

Conflicting Statements

Dr Maghawari Shahatah, deputy chief of the Geological Department of the College of Sciences, al-Manufiyah University, concluded the discussion by saying:

"It has become clear that the figures that estimate some 6 million feddans in southwest Egypt could be reclaimed by sources of ground water do not have any scientific basis whatever. There are conflicting statements regarding these figures. They are haphazard estimates, whether with regard to the quantities of water or the area of land, as well as whether that water is renewable or not."

Dr Maghawari demands that the scientific bodies get together to put an end to these contradictory figures, in order to get at the truth regarding this land, and the amount of water therein, whose area is equal to the entire [Nile] valley and delta. The question remains: Is there ground water in the Western Desert that is in fact sufficient to cultivate 6 million feddans? Are these feddans basically capable of being cultivated?

7005

CSO: 4504/424

PETROLEUM PRODUCTION DATA PUBLISHED

Cairo AL-BATRUL in Arabic Nos 2 and 3, Mar-Apr 82 pp 61-63

[Article by Samihah Isma'il: "Petroleum in Egypt"]

[Text] Petroleum Activity

The activity engaged in by Egypt's petroleum sector during the period July 1981-March 1982 was as follows:

Crude Oil Production

Crude oil production during this period totaled 23,940,000 tons, as shown in Table 1.

Production of Gas and Gas Derivatives

Total gas produced during the above-mentioned period was 1,747,000 tons, as shown in Table 2.

Refining

Processed Crude Oil: A total of 11,588,000 tons of crude oil was processed in the refineries.

Products

Products extracted in the refineries totaled 10,985,000 tons.

Transport

1. Coastal Transport: A total of 11,690,000 tons of crude oil and 302,000 tons of petroleum products was transported.

2. Pipelines: A total of 4,514,000 tons of crude oil and 6,222,000 tons of petroleum products was transported.

3. Other Means of Transport: A total of 5,615,000 tons of petroleum products was transported by other means (trucks, railroads, and river transport).

Investments

A total of 245,805,000 Egyptian pounds of investments were made in the [Egyptian General Petroleum] Authority and its affiliated companies during the period July 1981-March 1982.

Foreign Trade

Exports: Petroleum exports totaled a value of 1.762 billion Egyptian pounds.

Imports: Petroleum imports totaled a value of 364 million Egyptian pounds.

Net Balance of Payments: The balance of payments surplus totaled 1.398 billion Egyptian pounds.

Consumption

Computed consumption of the principal petroleum products totaled 10,732,000 tons, as shown in Table 3.

Petroleum Agreements

Since the establishment of the Ministry of Oil on 28 March 1973 a total of 104 petroleum agreements have been concluded for exploration for oil in Egypt. Of these agreements, 76 have had the final signatures been put on them, and legal statutes concerning the other agreements are in the process of being issued.

Activity of Exploration Teams in 1981

The following activity was undertaken by geophysical exploration teams in 1981:

1. Western Desert: Intensive seismic exploration activity went on in the Western Desert during 1981. Five teams produced 5,371 kilometers of seismic lines in the areas of Abu Sannan, Malihah, west of al-Razzaq, Badr al-Din-1, Sitra, Maryut, east of al-'Alamayn, and Tibah. They worked a total of 33 team-months.
2. Delta: Four seismic land exploration teams covered a seismic area of about 2,507 kilometers, working a total of 28.4 team-months, in the central and northern Delta areas and in the Abu Madi [gas] field in order to discover the extent of the field.
3. Sinai: During 1981 Sinai was the scene of intensive activity on the part of oil exploration companies in the areas of the Bitter Lakes, the Biqa' plain, al-Bardawil, Ra's al-Sabil, Abu Rudays, and Bala'im. Five seismic land exploration teams covered an area of 3,879 kilometers, working a total of 34 team-months, in addition to working an earth gravity area in the Tankah region.

4. Eastern Desert (West of Gulf of Suez): One seismic exploration team covered a total area of 713 kilometers in the Jamsah area, working a total of 4 team-months.

5. Gulf of Suez Offshore Area: Oil exploration companies continued their intensive exploration efforts in the Gulf of Suez area south of Ghara, south of Bala'im, north of Daraj, in Umm Jawish, Nabawi, the Gulf of Shuqayr, Wadi Dara, west of the Gulf of Suez, al-Kural, Lajya, west of Firan, west of Bala'im, and south of Daraj. Six seismic offshore exploration boats covered a total of 6,579 kilometers, working a total of 22 team-months.

6. Offshore North of the Delta: Two seismic exploration teams covered an area of 444 kilometers in shallow offshore waters, 225 kilometers in the deep waters in Buhayrat al-Burullus [Burullus Lake], 508 kilometers in the Abu Qir area, and 2,855 kilometers in the Rashid area.

7. Offshore North of the Delta: One seismic offshore exploration team covered Sectors 5, 6, 16, and 22. The longest offshore seismic line completed was 841 kilometers.

Petroleum Exploration During the First Quarter of 1982 (January, February, and March)

1. Gulf of Suez

Three petroleum discoveries were made in the Gulf of Suez area during the above-mentioned period. They were the following:

A. Gulf of Suez 306/1 [Well]: This oil well was discovered by the Gulf of Suez Petroleum Co [GUPCO]. Estimated average production of this well is about 4,000 bpd.

B. G.G. 83/3 Well: This well was discovered by the Suez Oil Co [SUCO], has been tested, and provides an average production of about 2,250 bpd.

C. Sharq al-Zayt 391/3 Well: Commercial quantities of crude oil were discovered in this area by the Esso Co. The well has been tested and provides an average production of about 2,000 bpd.

In addition to the three discoveries mentioned above, small quantities of crude oil have been discovered in two other areas. One of these areas is offshore (south of Ghara, 385), and the discovery was made by GUPCO. The well has been tested and produces small quantities of oil. But this well is considered to be capable of [greater] production if means of artificial lift are utilized in conjunction with it. The second well is on land (north of Ra's al-Bhar/2). Crude oil was discovered there by the Marathon Co. This well has been tested and provides an average production of about 450 bpd.

2. Western Desert

Oil and associated gas have been discovered in the Badr al-Din-1 Well, and the discovery was made by the Young Shell Co.

Table 1. Crude Oil Production (in thousands of metric tons)

<u>Company</u>	<u>July 1981- March 1982</u>	<u>% Change From July 1980- March 1981 Period</u>	<u>Average Daily Produc- tion in March 1982 (1,000's of barrels)</u>
Egyptian General			
Petroleum Corp [EGPC]	865	-6%	20.1
Belayim [Bala'im]			
Petroleum Co [PETROBEL]	4,682	+13%	129.2
Gulf of Suez			
Petroleum Co [GUPCO]			
(Gulf of Suez branch)	16,648	+1%	419.6
(Western Desert branch)	430	-3%	13.9
Western Desert			
Petroleum Co [WEPCO]	226	-8%	6.9
Sha'b 'Ali	824	+48%	20.0
EPEDECO	200	+75%	5.3
Shuqayr Marine Co [OSUCO]	25	-24%	1.4
Suez Oil Co [SUCO]	-	-	-
Aegypetco	-	-	-
Total	23,940	+4%	616.4

Table 2. Production of Gas and Its Derivatives (in thousands of metric tons)

<u>Product</u>	<u>July 1981- March 1982</u>	<u>July 1980- March 1981</u>	<u>Percentage Change</u>
1. Gas			
Abu Madi	497	471	+6%
Abu al-Gharadiq	620	587	+6%
Abu Qir	320	293	+9%
Total	1,437	1,351	+6%
2. Condensates			
Abu Madi	69	62	+1%
Abu al-Gharadiq	147	154	-5%
Abu Qir	36	32	+13%
Total	252	248	+2%
3. Liquefied Gas			
Bottled gas/Abu Madi	58	53	+9%
Gulf of Suez	-	-	-
Total	58	53	+9%
Sum Total	1,747	1,654	+6%

Table 3. Consumption of Petroleum Products (in thousands of tons)

<u>Product</u>	<u>July 1981- March 1982</u>	<u>July 1980- March 1981</u>	<u>Percentage Change</u>
Bottled gas	337	304	+11%
Benzine/naphtha	1,056	952	+11%
Kerosine	1,303	1,176	+11%
Solar/diesel oil	2,673	2,158	+24%
Mazut	5,363	4,527	+18%
Total	10,732	9,117	+18%

*Includes supplying Egyptian and foreign ships.

9468

CSO: 4504/422

FRUIT CRISIS DISCUSSED, FOREIGN COMPETITION CRITICIZED

Cairo AL-AHALI in Arabic 14 Jul 82 p 8

[Article by Asma' Rashid: "The Poor People Are Not Eating Fruit"]

[Text] Both tangerines and figs will disappear next year.

Sayyid Mar'i doubled the prices of his citrus fruits, then oranges disappeared from the marketplace.

Egyptian banana growers are saying: "We deserve these easy terms more than the Israelis do."

In the case of fruit that sells for 120 piasters [1.2 Egyptian pounds], the fruit grower earns 20 piasters and the wholesale and retail dealers [together] earn a whole Egyptian pound!

The undersecretary of agriculture demands that the Ministry of Supply keep its hands off of everything having to do with fruit.

The latest sign that has been seen hanging in the fruit markets is: "Poor people not allowed to enter here. The prices are murder"!

Those working in the marketplace are saying that watermelons, which disappeared after the government priced them at 7 piasters per kilo, have reappeared now, but at a price of 50 piasters per kilo. [They say that] anyone--in the Inspection Division of the Ministry of Supply or anywhere else--who objects to this will have to come forward and take up the issue with the merchants--if he can!

Other information tells us that unripe grapes are being sold for 1 whole Egyptian pound per kilo. They say that the grapes will soon be subject to pricing, will consequently disappear, and [later on] will be sold to whoever can pay the price asked for them. Plums are available, and their price ranges from 1 Egyptian pound and 1.2 Egyptian pounds per kilo. Fresh honey, which a few years ago used to be sold by the honeycomb, is now sold by the

kilo and its price is 50 piasters [per kilo]. Peaches are sold at 2.8 Egyptian pounds per kilo, strawberries are sold for 1.8 Egyptian pounds per kilo, and even locally-grown bananas, whenever you can find them, are sold for 60 piasters per kilo.

The upshot of all of this is that Egyptian fruit has become something which is out of reach of the poor. An average family consisting of five members needs 2 kilos of fruit per day, and it is impossible for this, on the average, to cost this family less than 1.5 Egyptian pounds. This means that such an Egyptian family must pay 45 Egyptian pounds per month for fruit alone if the members of this family want to eat fruit every day, or 25 Egyptian pounds per month if they want to eat fruit three times a week!

What has happened to our Egyptian fruit? Why has it lost its flavor, and why is there such a low supply of it? Has consumption increased, or has production decreased? Is there a connection between the more widespread use of refrigeration units and cold-storage plants and the disappearance of fruit? Has the storage of fruit in refrigeration units become a means by which the mercants can control the market and impose the prices which they want? When and how will poor people once again be able to buy fruit for themselves and for their children?!

Disaster on the Coast

Egyptian fruit suffers from the same things that everything else suffers from--neglect, lack of coordination between the ministries concerned, and [lack of] a clearly defined agricultural plan which determines what the domestic market needs and what the export needs are. Also, the fruit situation suffers from exploitation and greed on the part of the "big fish" in the marketplace who are only concerned with making as large profits as possible.

The result of this is a great shortage of supply, decline in quality of the fruit, and most, importantly, an enormous increase in fruit prices which the consumers alone have to bear. Every day new social categories of our people are being driven away from the fruit consumption market because fruit prices have become out of reach of our masses of people, and even out of reach of the middle classes as well.

During the last few years Egyptian bananas have completely disappeared [from the marketplace], and their place has been taken by imported bananas from all over the world--especially Israeli bananas, which are sold in the Egyptian market at prices which are cheaper than the prices of all similar types of bananas which come from all the other countries.

Last year oranges disappeared, and, according to predictions by the director of the Fruit and Vegetable Research Institute, tangerines are going to disappear next year. The director went on to say: "A disaster is taking place on the northwestern coastline between Alexandria and Burj al-'Arab. Creeping urbanization is swallowing up the largest fig-growing farms, the number of fig trees of which is estimated at 1 million. Every day such land is swallowed

up and buildings and villas are being built there. This causes the price of figs to go up or else causes figs to disappear, and nobody cares"! I asked the undersecretary of agriculture for horticultural affairs:

[Question] Please tell me, Dr Sayyid Nassar, has there been a decrease in the total fruit-growing area in Egypt?

[Answer] Not at all. In fact, there has been a steady increase. In 1971 fruit was grown on 1,249,000 feddans, but by now fruit is grown on 1,367,000 feddans. As for citrus fruits, in particular, in 1978 an area of about 158,000 feddans produced 842,000 tons of oranges. The latest figure is that 161,000 feddans have produced 895,000 tons. It used to be that 15,000 feddans were producing tangerines, but now 16,000 feddans are producing them. But the increase in area where fruit is grown is not everything. In fact, production of tangerines has decreased from 85,000 tons to 73,000 tons. At the same time, the total area where grapes are grown has increased from 34,000 feddans to 60,000 feddans, and production of grapes has increased from 120,000 tons to 297,000 tons.

[Question] What is the conclusion?

[Answer] The conclusion is that there has been an increase, but it has been slight. There has also been a shortage in some types of fruit, especially tangerines and bananas. However, the increase which has taken place has not kept pace with the increase in population and increase in consumption. This is the principal reason why people feel that there is a shortage in fruit production, and other circumstances are also responsible for this.

Among these other circumstances the fruit growers mention the additional costs which they must bear. They say that there has been a great increase in the costs of pesticides. Fruits are among the crops which are sensitive and subject to many diseases. In the case of some of them, one must spray them with pesticides numerous times. When the government sets fruit prices, it does not take all of this into account.

The orange growers, for example, say that they use the same pesticides as do the growers of strawberries and mangoes--which are two fruits for which prices are not set [by the government].

Pesticides are not something which is subsidized. What justification is there for having oranges be subject to pricing, but not strawberries or mangoes?

Another of these other circumstances involves weather factors. Fruit crops are affected by weather factors. This happened to the orange crop last year, and it usually happens with the banana crop. Also, there is a shortage of labor and labor wages are going up.

Furthermore, do not forget the high costs [of producing] some crops such as bananas, the growers of which are being unjustly treated by [government] pricing. This has led many of the growers to uproot their banana trees and

plant other crops. No one can force someone to grow a crop that will bring him a loss. The setting of prices should not be a political decision which is issued by the Ministry of Supply which does not have even the remotest connection with agriculture. [end of answer]

Interview with the [Ministry of] Agriculture

"Bananas are threatened with extinction." These were the first words said to us by Muhammad Abu al-Fadl al-Jizawi, the owner of a banana farm. He went on to say: "Pricing which is not profitable [for the banana growers] and which does not take into account a reasonable profit margin will lead to the extinction of Egyptian bananas. The Ministry of Agriculture is responsible. It is not responsible for the pricing, because this has been a mistake made by the Ministry of Supply. But [the Ministry of] Agriculture is not setting up new plant nurseries and is not pursuing its task of dealing with the diseases which afflict bananas. There is also the fertilizer problem. Since the Ministry of Agriculture is not carrying out its role, most of the loans being taken out by the farmers to improve their banana crops are being utilized by them in the realm of their personal lives. They are not planting any new banana trees. New banana trees are supposed to be planted every 5 years on banana farms. But it has been 30 years since new trees have been planted. The result has been a trend on the part of the growers to plant crops other than bananas such as potatoes and Egyptian clover."

Dr Sayyid Nassar replies as follows to the criticisms of the banana growers: "The Ministry is carrying out its role as well as it can, given the available resources. It provides the necessities for agriculture, but it has no power over the private sector growers, nor does it own any land where crops are grown. It does not intervene except to determine the amount of area for planting citrus fruits. The basis for doing this is that, a long time ago, we drew up a plan for the growing of citrus fruits and for expanding this activity at the expense of the growing of other crops because we wanted citrus fruits to be a principal export crop. But we were unable to carry out our plan, and the quantity of oranges which we are exporting has not been more than 120,000 tons per year."

[Question] Does this mean that there is no plan for the growing of fruit crops which would both be sufficient for [domestic] consumption and serve as export crops?

[Answer] The Ministry [of Agriculture] has begun to recalculate its figures and our minister, Dr Yusuf Wali, has begun to set up a new plan or national project, currently being studied, which will involve finding out which crops we require and which crops there is a shortage of in the marketplace. This will lead to expanding the planting of such crops, and then we will not have to give free rein to the growers to simply grow what they feel like growing!

The problem today is a problem of pricing. As long as we, the Ministry of Agriculture, call upon the government to keep its hands off of pricing and

allow fruits to circulate in the free market [and not be subject to pricing], there will be no crises, even if the prices become rather high. [end of answer]

What the undersecretary of agriculture means is that we have to wait until Dr Wali formulates his national project which will have the task of finding out our consumption needs and then expand the growing of the crops which are demanded. Until this happens, we are supposed to endure the fruit prices which are prevalent at the present time. In other words, we poor people will remain outside the fruit consumption market.

Is it true that unjust pricing is the reason for the turmoil which is going on in the fruit market?

The Game in the Marketplace

A fruit merchant in Rawd al-Faraj, who refused to give his name, offers a non-political explanation for the disappearance of oranges this year and the appearance of oranges in the black market. He says: "There are four large citrus growers who are dominating the market. The most important of them is Sayyid Mar'i, who owns more than 1,000 feddans of orchards. Last year he doubled the price of the oranges which came from his farms. The inevitable consequence was that oranges disappeared [from the marketplace] or else were sold in the black market."

But overcharging on the part of the growers is not the only cause [of this situation]. The growers are sometimes victims just as much as the consumers are. A few weeks ago I was in the Rawd al-Faraj market and saw apricots being auctioned off at prices ranging from 70 to 80 piasters per kilo. I was then astonished when Dr Sayyid Nassar said: "These particular apricots were bought by a wholesaler from al-Fayyum at a price of 20 piasters per kilo. In other words, the wholesaler's profit per kilo of apricots was as much as 50 or 60 piasters. Furthermore, the retailer makes a profit of between 40 and 50 piasters [per kilo of apricots]. Thus the grower is selling apricots for 20 piasters per kilo, by the time the apricots reach the consumers they cost 120 piasters [1.2 Egyptian pounds] per kilo, and the merchants are making a profit of 6 times the price [originally charged by the grower]!"

There are numerous methods and approaches being followed in the game in the fruit market. One of these is for [the fruit merchants] to take the fruit to the quiet, nicer areas of the cities where people are not fussy about prices and do not pay attention to how much they are paying for things. This is quite different from the case of those who live in Shubra, Rawd al-Faraj, and al-Sayyidah [Zaynab] where people keep close track of their money and ask around about prices.

There are also large hotels and tourism enterprises which buy fruit from the market at whatever prices the merchants ask because they are sure that they will make a big profit from their customers who are filling their pockets with money earned by virtue of inflation. One game which has cropped up in

the fruit market during the last few years is that of storing some types of fruit in enormous cold-storage units which the open-door policy has brought to all parts of Egypt. [This has enabled the growers] to avoid pricing, on the one hand, and has also enabled them to put their fruit in the marketplace when the fruit season is over and when prices are high, and then they can raise the prices to the maximum.

The open-door policy laws and easy terms for importing are, according to the fruit growers, to blame for the situation. They say that Egyptian fruits are threatened [with extinction] if production circumstances continue as they are now!

Egyptian bananas, which during the last few years have suffered from particular problems of their own, are now faced with fierce competition from imported bananas. There are many types of such imported bananas, the most dangerous one being the Israeli bananas. As a result of the problems of growing Egyptian bananas, their weight has gone down from 200 grams to only 100 grams. Also, their length has gone down from 20 centimeters to 12 centimeters. At the same time, the doors have been opened wide for imported bananas to come into the country. Those who profit from this are the importers, for whom the law has guaranteed a profit of 15 percent. Retail merchants get a profit of only 3 percent out of this.

Hamdi Muhammad, an accountant who is a banana merchant, said: "The cost of growing 1 feddan of bananas in Egypt is 2,200 Egyptian pounds, whereas the bananas can be sold for no more than 1,800 Egyptian pounds. This means that one loses 400 Egyptian pounds per feddan."

[Question] What is your profit in the case of importing bananas?

[Answer] The importer makes a profit of 15 percent and obtains all of the exemptions and easy terms without putting any effort into it. Why should we grow bananas if we can earn more by becoming importers? Why does the law not also guarantee us a profit of 15 percent as it does with the importers who import foodstuffs and meats? Why do we make it easy for Israel to market its bananas [in Egypt] at a price less than that of any other bananas, and at the same time put obstacles in front of Egyptian [banana growers]? [end of answer]

This is a very important question, and we are wondering what the answer is!

There is also another question which apparently is not being answered, and it is: When are the poor people going to be able to eat fruit?! Does the government, which is run by the National [Democratic] Party, have an answer to this question?!

9468

CSO: 4504/423

BRIEFS

PVC PROJECT--Engineer Ahmad 'Izz al-Din Hilal, deputy prime minister for production and minister of petroleum, has inspected the progress of work in the petrochemical project in the al-'Amiriyah area of Alexandria. The project is located on an estimated 350 feddans, and the cost of its first stage will amount to \$105 million. This stage is aimed at producing petroleum vinyl chloride, which is considered a basic substance in producing plastics raw materials. Production from this project will begin in 1984, with an estimated production capacity of 80,000 tons per year. This will be valued at \$100 million. The project will result in the establishment of processing industries which will help in the development campaign and create new job opportunities. [Text] [Cairo AL-JUMHURIYAH in Arabic 14 Jul 82 p 1] 7005

CSO: 4504/424

GOVERNMENT REOPENS VOCATIONAL SCHOOLS

Tehran KEYHAN in Persian 15 Jul 82 p 3

[Interview with Deputy Minister of Artisan Affairs Kamal Haj Seyyed Javadi, ministry of Islamic guidance]

[Text] Cultural and Art Service--Vocational art schools will reopen this year under the supervision of the Ministry of Islamic Guidance after being closed nearly three years. In the beginning, a total of 180 students will be admitted to the vocational fine arts school for boys and girls in Esfahan, Mirak vocational school of Tabriz, the vocational school for revolutionary songs and music (the former vocational school for music), and the Behzad vocational school for boys and girls in Tehran.

Kamal Haj Seyyed Javadi, the deputy minister of artisan affairs of the Ministry of Islamic Guidance, announced this statement and explained in detail the situation of the vocational art schools during the tyrant and their activities in the future in an exclusive interview with our KEYHAN correspondent.

In this interview, the deputy minister of artisan affairs of the Ministry of Islamic Guidance, referring to the methods for teaching art to the youth, said:

On the whole, the young people who have a God-given gift for art are trained in artistic techniques in two ways: through a free method and through the classical method. With the free method, the students pursue this task in their spare time because of their interest. However, since they do not consider this training as their serious and specialized jobs, they generally consider it as it as a second occupation and engage in studying a field other than art. With the classical method, however, this is not the case. Here, the students choose art as their main field and, naturally, the society needs such individuals.

The Necessity of the Existence of Vocational Art Schools

Mr. Seyyed Javadi added:

Since in the Islamic culture and the regime of the Islamic Republic of Iran, art plays an essential role in advancing the goals of the revolution and considering the frequent emphasis of our president on the matter, the most useful means is to help the growth and blossoming of God-given creative talents, since no idea can become everlasting until it is joined with art. For this reason, more attention is being paid to it and we must open the way for the youth and youngsters to be trained in various art fields. Obviously, the Islamic society is greatly in need of the experts in these fields. For this reason, we realize that if the vocational art schools were to remain closed, firstly, gradually, the traditional arts of our country--the number of artists in which is relatively insignificant--would soon be destroyed and, consequently, a significant loss would be felt. This could be a great blow to the art of our country, which would be followed by the loss of the market for artistic handicraft industries and their closure. And contrary to one of the goals of the regime of the Islamic Republic, which is the attainment of economic self-sufficiency, a significant loss would be felt in this area. Also, gradually, artistic blossoming and creativity would become "commercialized." For instance, among the hundreds of beautiful carpet designs, only one or two artistically inferior designs which have been copied would remain.

Secondly, if the training of true artists stops, a number of fake artists will come to the fore and add another problem to that of the shortage of true artists. This danger exists in all the art fields, including the art of revolutionary songs and music. Since the regime of the Islamic Republic of Iran places much importance on this field, we must consider its future.

But, most important is that in the past, art for the most part propagated the tyrannical regime and many of the artists benefitted from this banquet of the tyrant. The monarchical culture had more or less attracted them all. The artistic creativity of these artists was built on the tyrannical culture. For this reason, if we want to have Islamic art, in the first place, the artist must be Islamic and committed in order for him to be able to create Islamic art. Therefore, if the teaching of art and the training of an art cadre which is made up of committed and ideological, young art students of the party of God [Allah] begins and if these sisters and brothers are sufficiently trained over the course of years, naturally, at the end of one course of study at the vocational school level, we will have artists whose art is totally in the service of Islam and the revolution. For this reason, we see that the reopening of the vocational schools for the arts is a most urgent matter.

The Fields of the Vocational Schools in Tehran and Other Cities

The deputy for artisan affairs of the Ministry of Islamic Guidance continued and explained the fields in the vocational art schools of Tehran and other cities. He said:

"Behzad Vocational School for Boys and Girls" (vocational school for the visual arts) offers designing, painting, graphics, Iranian painting (miniatures), carpet and rug designs, and sculpture. The fields of other vocational schools are as follows:

"The Vocational School for Revolutionary Songs and Music" (the former vocational school for music), familiarity with composition, songs, and choir.

The vocational school for fine arts for boys and girls in Esfahan and also Mirak vocational school in Tabriz offer various fields, including tile work and metal work. In these two vocational schools, importance is placed mostly on the fields which are related to the arts native to the areas and are considered among the educational courses of the students.

Requirements for Art Students

Concerning the requirements for studying and the number of students for the next academic year, Haj Seyyed Javadi said:

Students who have completed the third year in the Rahnama'i schools may take part in the general test for vocational schools. In this test, students are evaluated for their artistic talents in the related fields. The applicants must send their documents to the central office for art education in Tehran and the central office of Islamic guidance in Esfahan or Tabriz before 22 July of this year. The number of students which will be admitted this year will total 50 for Behzad vocational school for boys and 50 for girls, 30 for the vocational school for revolutionary songs and music, 25 for Esfahan vocational school, and 25 for Tabriz.

In response to the question of whether any changes have been made in regards to the number of students selected, the deputy of artisan affairs of the Ministry of Islamic Guidance said:

The year before the revolution, the number of students admitted was less than this figure. We have been able to increase the number by 40 percent.

We asked: How many years is a course of study in these schools and will the graduates be hired by the government after they finish their studies?

Haj Seyyed Javadi answered:

The course of study in all these schools is four years. However, the number of teaching hours is about twice that of other schools. Upon graduation, the students will be given a full diploma and they can take part in the entrance examinations of the related colleges. Since they will all be experts in their own fields, they will all be accepted without exception or they will be employed by the Ministry of Islamic Guidance in such units as the Voice and Picture.

Changes After the Revolution

We asked: What fields have been omitted or added in beginning the activities of the vocational schools?

The deputy for artisan affairs of the Ministry of Islamic Guidance responded.

Some fields have been given more emphasis, such as carpet design and singing, and the courses have also been increased in variety. However, most of the changes are in the basic courses, such as religious understanding and social sciences. Naturally, some of the fields, such as ballet, which do not conform to the goals of the Islamic revolution of Iran, have been omitted.

We asked about the methodology of teaching and about the situation with regard to instructors. Haj Seyyed Javadi answered:

In regards to the methodology of teaching, in terms of both teaching and instructors and the quality of education and training, essential changes have been made. Concerning the instructors, I must say that since the number of students is limited, we have a sufficient, trained cadre. Of course, in some fields, such as burning (painting) and calico weaving, there are shortages which we will fill somehow.

We asked: Are there any restrictions for the sisters to take part in the various art fields?

The deputy for artisan affairs of the Ministry of Islamic Guidance answered: No, the sisters may take part in all fields.

We asked: What is the reason for having the management and supervision of these vocational schools conferred on the Ministry of Islamic Guidance instead of the Ministry of Education?

In response, Haj Seyyed Javadi said: Considering that art is a specialized field as well as the special form of the existing art fields, the Ministry of Education would never be able to take

over this duty. In other words, neither financially nor in terms of expertise does the Ministry of Education have the resources, because the expenditures of the government to train one art student in the vocational schools are dozens of times greater than those for training a student. This is due to the value and importance of the artist in the society.

In concluding this interview, the deputy minister of Islamic guidance invited all the Hezbollah brothers and sisters to take part in the entrance examinations of these vocational schools.

9593

CSO: 4640/405

REGULATIONS AFFECTING POLITICAL PARTIES, GROUPS DISCUSSED

Tehran ETTELA'AT HAFTEGI in Persian 14 Jul 82 pp 8, 9, 10, 64

[Interview with Majlis Representative Movvahedi-Savoji]

[Text] "In the name of God the compassionate and the merciful"

After the final ratification of the regulations for political parties and groups in the Cabinet, we considered it our duty to explain the details more clearly. For this purpose, we interviewed one of the experts, the honorable representative of the people of Saveh in the Majlis. Because of his membership in the committee for the internal affairs of the Majlis, which studies the issues concerning the political parties, he was able to inform us of some of the basic important points in this connection.

[Interviewer] Thank you for allowing us the opportunity for an interview despite your very busy schedule. Please introduce yourself and state your position in the committee for internal affairs.

[Movvahedi-Savoji] I am Movvahedi-Savoji, first deputy director of the committee for internal affairs of the Majlis.

[Interviewer] As you know, we have based our interview on such issues as political parties and groups; but before getting into the details of the "bill for political parties and the regulations for political parties," we would like you to speak a little about the principle of parties and organizations in Islam and about how this issue is explained and interpreted in our ideology.

[Movvahedi-Savoji] The issue of parties in Islam: When we benefit from the reported traditions as well as the verses of the Koran, we see that on an ideological basis, "parties" exist. However, there is only one party. God Almighty has divided mankind, according to the Koran, into several groups from the standpoint of ideology, views, and ideological basis and

framework. In other words, there are three groups, "the faithful, the hypocrites, and the heathens and non-believers."

However, if you mean parties from the standpoint of organization, Islam, due to its rules and regulations and the programs for such rules and regulations, emphasizes this issue very much. If you review Islamic worship and programs, such as congregational prayers, Friday prayers, hajj ceremonies, and the prayer ceremonies for the Fetr and Qorban feasts, you will realize that Islam pays much attention to organization. There are Koranic verses in this regard. For instance, "All Muslims are brothers" and "grab on to God's rope and do not be disunited." You see that parties and organization are contrary to disunity and separation. Hence, in Islam, being organized is of primary importance. Basically, if there were no organization, no social and human system would be formed and established. Mohammad, during his 10 years in Medina, established an Islamic government and placed much importance on the organization of an Islamic society within the nation of Islam.

If we examine the issue from the standpoint of whether, according to Islamic standards and regulations, within an Islamic society and within an Islamic nation there can be various organizations and parties, we must say that Islam by no means prohibits the existence of various organizations in an Islamic society. In other words, an Islamic society is united in terms of the principles, ideology, and ideological and intellectual bases but other thoughts and ideas can have different organizations and societies, because in our ideology, there is freedom of thoughts and ideas and Islam respects the freedom of thought and ideas. Therefore, the Islamic nation can have various organizations under the rule of Islam. By devising various bylaws and regulations and other related issues, they can lead the Islamic society on the path to prosperity and happiness and offer solutions to eliminate the problems and achieve the goals as soon as possible. Not only has our religion secured the freedom of parties, organizations, and groups, but also, in our Constitution, in Article "26," the freedom of parties and groups has been clearly stated.

[Interviewer] In your opinion, when did parties and partisanship begin in Iran?

[Movvahedi-Savoji] As far as I know, in Iran, parties in the form seen today (more often political than non-political, that is, parties and groups that are formed to achieve guild-related and economic demands or to take over the government) began during the Constitutional period. If we study the Islamic history of Iran before the Constitution, we see that this was not the case. But, as I said earlier, since the time of the Prophet, the issue of guilds and parties has existed even in the Islamic societies.

However, central to their organization has been belief in God, the Koran, the ideology, and the principles. Hence, organizations existed automatically and in such organizations, all existing issues were raised and discussed in connection with the totality.

But the history of the kind of organization in which everyone has a different ideology and demand and everyone tries to gain power and to govern is no more than 100 years long. Before Western culture became widespread in Iran and before the establishment parties of Marxists, communists, and non-believers, such practices in which, for instance, someone supports freedom in the Western sense or the Islamic sense, did not exist at all. No matter how closely we look at the history of Islam and the history of Iran, we will not find such an issue. Islam basically opposes such parties because it emphasizes the freedom of human beings and even the freedom of an individual Muslim. Organizations which are like iron walls, in which one who accepts membership must accept everything dictated to him by the leadership of the organization and party regardless of whether such dictates are contrary to his views, are strongly rejected by Islam and anything that is contrary to the will, awareness, and freedom of human beings does not exist in Islam.

Such organizational forms have become popular in Iran as a result of Western culture.

[Interviewer] As the first deputy director of the committee for internal affairs, tell us your opinion about the bill for political parties as well as their bylaws (which were recently discussed and approved by the Cabinet to be announced to the parties and organizations).

[Movvahedi-Savoji] I must say that the Majlis, especially the committee for internal affairs, since the political issues of the country, parties, groups, and societies are directly related to it, has for a long time been thinking about clarifying the situation and the legal requirements of the societies, parties, and groups. In the Article "26" of the Constitution states: "Political and guild-related parties and groups, Islamic societies, or recognized minorities are free, provided they do not violate the principles of independence, freedom, national unity, Islamic laws, and the foundation of the Islamic Republic, and that no one is prohibited from participation in them or forced to participate in them."

Well, as you see, Article 26 concerns the freedom of political parties and groups. Here, this issue must be clarified. The Constitution says in one place, "Parties, societies, groups, guilds, Islamic societies, and religious minorities are all free." But the same Article states that the condition for the

freedom of parties and groups is that they not violate national unity, independence, freedom, and the regime of the Islamic Republic of Iran. Therefore, Article 26, on the one hand, secures the freedom of parties, groups, and political activities and, on the other, determines certain conditions for them. That is, if they want to be active, their activities should by no means be contrary to the territorial integrity, independence, and freedom of our people as well as the Islamic Republic.

In conforming to the content and the purpose of the above-mentioned Article, it was necessary to prepare a plan by studying and analyzing all the aspects of the issue, including the form parties and groups can take, what their ideologies, policies, and bylaws must be, what the conditions for their establishment are, what their duties would be after they are formed, for what reason they might be dissolved, and what the basis for the continuation of their activities would be. For this reason, with the cooperation of our brothers in the Ministry of Interior and other centers, a plan was studied. After the primary studies, the plan was carefully examined in the committee for internal affairs of the Majlis. In two meetings, it was ratified with some modification. However, in order to implement the points that have been included in the law (for instance, what conditions should parties, groups, and organizations meet in order to be formed and what should be done if, once they are established, they should deviate from the law and oppose the regime of the Islamic Republic, the territorial integrity, national unity, independence, and freedom), it was decided that a special committee be formed in the Ministry of Interior. This was a five-member committee which consisted of two persons from the judicial branch, two representatives of the Majlis, and one from the Ministry of Interior. This committee was mentioned in Article 10 of the laws for parties, which states:

In order to issue permits to the applicants, to supervise the activities of groups, and to carry out the duties stated in this law, a committee shall be formed in the Ministry of Interior as follows:

1. Two representatives from the judicial branch (a representative of the prosecutor-general and a representative of the Supreme Judicial Council)
2. One representative of the executive branch (representative from the Ministry of Interior)
3. Two representatives of the Majlis

[Interviewer] What kind of relationship does the committee for internal affairs have with this committee?

[Mowwahedi-Savoji] No clear relationship has been mentioned in this law with regards to the special committee and the committee for internal affairs.

Obviously, parties and groups which want to have permits and free activities must have charters and bylaws which must be sent to the committee for Article 10. Concerning the leadership cadre and the key members who must be identified, Article 7 of the law even mentions:

"All members of the dissolved SAVAK, Freemasons, those who became ministers or members of the Senate or the Majlis in the past, between 19 August 1953 and 11 February 1979, all operators of the past regime and the Rastakhiz Party, and those who have had or will have their social rights taken away from them on the basis of the rulings of the courts and the Islamic standards are not allowed to establish parties and societies."

Also, they cannot be in the leadership group. You see, therefore, those parties, groups, and societies will be granted permission and can also enjoy the legal privileges which, firstly, have clear bylaws and charters and, secondly, the leadership cadre and members are identified. If changes are made in their leadership cadre and general assembly, they must inform the committee so that the issues are clarified for the authorities and the new individuals are identified.

[Interviewer] Do you not think that the implementation of the above law would hamper the ability of the government of the Islamic Republic to obtain any kind of identification or information about groups which do not totally fit the laws but follow some of the articles of the laws and that consequently, an atmosphere would be created which would force them into acting secretly or semi-secretly in order to survive and, as a result, more deadly blows would be inflicted on the regime of the Islamic Republic?

[Mowwahedi-Savoji] Incidentally, at the time when this law was being discussed in our committee, one of these nationalists was making much noise alongside Bani-Sadr saying: What does this all mean that parties and minorities should have charters and bylaws and why should they request permission from the Ministry of Interior for their activities in order to enjoy the legal privileges? Then he would say that this action would block the activities of parties and groups and would then make the opposition go underground. However, I openly disagree. Those who want to be active within the regime of the Islamic Republic can be divided into two groups. One group consists of those who accept the Islamic Republic, the Constitution, the Majlis, and the organization and with the preservation of the regime of the Islamic Republic of Iran, they want to have propaganda, cultural,

economic, and other activities. There is no problem here. They would even like the people to know who they are. If an organization is going to be legal in the society and have some influence among the people and gain the trust of the people, the people should primarily know who they are, how they think, what their ideology is, and on what basis the organization is established. People will not pay attention to those who want to be in hiding and will reject them. Therefore, those who want to be active within the framework of the Islamic Republic and who are not against the regime of the Islamic Republic are free to establish any sort of group or society. There will be no obstacles in their way and they are not afraid, because they want to establish pro-people, legal Islamic societies which are acceptable to the people. They are truthful with the nation and are not two-faced. Hence, we see that they announce that they are a society with certain characteristics and an identified leadership. They present their leadership cadre and their bylaws and charters. They say that they would like to establish a society to procure the wishes of the people and to help the oppressed and the deprived.

There is no problem in such cases. They are free to establish 1, 2, 10, or 50 societies and parties.

But if a party or society wants to be inspired from the West or the East, it would be against Islam and the regime of the Islamic Republic, which was voted on by more than 98 percent of the people and whose Constitution was also approved by them. In fact, these groups want to destroy the regime and are in principle the enemies of this regime. Even if we had not ratified this law, these groups would have stayed in hiding anyway. Even if there were to have been a law ratified for their activities, they would still have acted in secret, because they are afraid of our regime of the Islamic Republic and the people. This regime will never allow the enemy to destroy its foundations. This is clear and you can remember the few years that have passed since the victory of the revolution [as published]

[As published] and see whether or not these parties, groups, and societies who had and still have secret activities had at the time presented their bylaws and charters to the people openly. No, they had not. None of them told the people about such things as their numbers, weapons, goals, and views. Here, what such a group wants to do must be clarified. Do they want to engage in political activities? Do they want to engage in propaganda activities? Do they want to engage in military activities? Military and armed activities are different from political activities. Therefore, it is those groups who are, in fact, against the regime of the Islamic Republic who The special committee is in contact with the government and the Majlis (since

(... two representatives). The two representatives of the judicial branch are not chosen by the committee but by all the representatives. For this reason, they have more credibility. Of course, the two representatives chosen from the Majlis for this committee were our brother Movvahedi-Kermani, who is the first deputy director of the committee, and our dear brother Mohammad Taqi Besharat, who was martyred. They were chosen by a majority vote in the Majlis to take part in the committee. In the future, since the committee for internal affairs has direct relations with the Ministry of Interior and the parties and groups and also, technically, this committee is in closer conformity to the law, once again, one of the members for this committee from the judicial branch may be chosen from the committee for internal affairs.

[Interviewer] First of all, what is your opinion with regards to the bylaws of the parties which were prepared by the Ministry of Interior and, secondly, do you consider the articles of these bylaws in conformity with the contents and the articles of the bill for political parties?

[Movvahedi-Savoji] Generally, the implementary bylaws are prepared by the executive organizations who send them for approval. The bylaws for this bill or any other bill are not prepared by the Majlis. Naturally, these bylaws should by no means be contrary to the laws ratified by the Majlis. If so, they would be contrary to the law and the Majlis would have stopped them. Also, the office of the inspector general the committee for Article 90 can investigate the matter.

[Interviewer] Please explain more about the committee for Article "10."

[Movvahedi-Savoji] Yes, the committee mentioned in Article 10 is, in fact, the most important and highest source for establishing assemblies, parties, groups, and Islamic societies. It is also the highest source for protecting the freedom of their activities. It is made up of the three branches so that personal interference in the law by, for example, the Ministry of Interior, the minister of interior, the government, etc., on the basis of good or bad relations with a group, can be prevented [as published]

[As published] and their activities stopped. In short, it is to prevent any sort of violation and disorganization. In our opinion, the best way for the establishment of societies, organizations, and lawful parties, as well as the best channel to secure the freedom of the organizations, is this committee in the form described. The members of this committee, as the law has determined, are chosen for two years. If they would like to be

chosen again after two years, they must become candidates and receive the votes. This is good because if there are individuals who do not succeed in their work, others will be chosen to replace them.

[Interviewer] Exactly who is in charge of investigating the violations of this committee for "Article 10"?

Should any violations be observed in this committee, the committee is no higher than the Majlis, the government, and the judicial branch. If these organizations commit violations, interested parties, civilians, or legal authorities can register their complaints against them. If the complaint has a legal aspect, that is, if the issue is harming someone's reputation or violating someone's freedom, it must be pursued and investigated. If it has other aspects, such as deviation from legal duties (that is, the kind of duties which have been clearly stated in the law for this committee), individuals can register their complaints and the Majlis will stop the violations. Interested individuals can register their complaints to the committee for Article 90 because, as you know, the Majlis has established a committee called the committee for Article 90, based on the Constitution and Article 90. Anyone who has a complaint against the legislative, judicial, or executive branch can register his complaint with this committee and they will do their duty to investigate the matter.

[Interviewer] It has been mentioned in the bylaws for the parties that the leadership cadre of parties and groups must be identified. Does this include all groups?

Obviously, parties and groups which want to have permits and free activities must have charters and bylaws which must be sent to the committee for Article 10. Concerning the leadership cadre and the key members who must be identified, Article 7 of the law even mentions:

"All members of the dissolved SAVAK, Freemasons, those who became ministers or members of the Senate or the Majlis in the past, between 19 August 1953 and 11 February 1979, all operators of the past regime and the Rastakhiz Party, and those who have had or will have their social rights taken away from them on the basis of the rulings of the courts and the Islamic standards are not allowed to establish parties and societies."

Also, they cannot be in the leadership group. You see, therefore, those parties, groups, and societies will be granted permission and can also enjoy the legal privileges which, firstly, have clear bylaws and charters and, secondly, the leadership cadre and members are identified. If changes are made in their leadership cadre and general assembly, they must inform

the committee so that the issues are clarified for the authorities and the new individuals are identified.

[Interviewer] Do you not think that the implementation of the above law would hamper the ability of the government of the Islamic Republic to obtain any kind of identification or information about groups which do not totally fit the laws but follow some of the articles of the laws and that consequently, an atmosphere would be created which would force them into acting secretly or semi-secretly in order to survive and, as a result, more deadly blows would be inflicted on the regime of the Islamic Republic?

[Mowhahedi-Savoji] Incidentally, at the time when this law was being discussed in our committee, one of these nationalists was making much noise alongside Bani-Sadr saying: What does this all mean that parties and minorities should have charters and bylaws and why should they request permission from the Ministry of Interior for their activities in order to enjoy the legal privileges? Then he would say that this action would block the activities of parties and groups and would then make the opposition go underground. However, I openly disagree. Those who want to be active within the regime of the Islamic Republic can be divided into two groups. One group consists of those who accept the Islamic Republic, the Constitution, the Majlis, and the organization and with the preservation of the regime of the Islamic Republic of Iran, they want to have propaganda, cultural, economic, and other activities. There is no problem here. They would even like the people to know who they are. If an organization is going to be legal in the society and have some influence among the people and gain the trust of the people, the people should primarily know who they are, how they think, what their ideology is, and on what basis the organization is established. People will not pay attention to those who want to be in hiding and will reject them. Therefore, those who want to be active within the framework of the Islamic Republic and who are not against the regime of the Islamic Republic are free to establish any sort of group or society. There will be no obstacles in their way and they are not afraid, because they want to establish pro-people, legal Islamic societies which are acceptable to the people. They are truthful with the nation and are not two-faced. Hence, we see that they announce that they are a society with certain characteristics and an identified leadership. They present their leadership cadre and their bylaws and charters. They say that they would like to establish a society to procure the wishes of the people and to help the oppressed and the deprived.

There is no problem in such cases. They are free to establish 1, 2, 3, or 50 societies and parties.

But if a party or society wants to be inspired from the West or the East, it would be against Islam and the regime of the Islamic Republic, which was voted on by more than 98 percent of the people and whose Constitution was also approved by them. In fact, these groups want to destroy the regime and are in principle the enemies of this regime. Even if we had not ratified this law, these groups would have stayed in hiding anyway. Even if there were to have been a law ratified for their activities, they would still have acted in secret, because they are afraid of our regime of the Islamic Republic and the people. This regime will never allow the enemy to destroy its foundations. This is clear and you can remember the few years that have passed since the victory of the revolution [as published]

[As published] and see whether or not these parties, groups, and societies who had and still have secret activities had at the time presented their bylaws and charters to the people openly. No, they had not. None of them told the people about such things as their numbers, weapons, goals, and views. Here, what such a group wants to do must be clarified. Do they want to engage in political activities? Do they want to engage in propaganda activities? Do they want to engage in military activities? Military and armed activities are different from political activities. Therefore, it is those groups who are, in fact, against the regime of the Islamic Republic who intend to use every means to destroy us and who have, in our opinion, have been saying the same thing from the beginning. But only a small number of them remain who wish to do this. Whether there is a law or not, they will carry out their illegal activities. But those who truly wish for the prosperity of this nation and the welfare of this country and who take steps to relieve the pains of the people and move on the path of our nation (the path of our people is Islam and Islamic government, for which they have spilled their blood and made many sacrifices) need not hide, be secretive, and go underground. But, if they too want to carry out their illegal activities as isolated groups separate from the people, they will be playing with the fate of this nation. They will cause problems for the society, the people, and the regime, but, ultimately, they will not survive.

[Interviewer] One of the sections of an article of the law for parties mentions that groups must avoid any kind of relationship, exchange of information, or conspiracy with embassies, agencies, government organizations, and parties of foreign countries in any way which would harm the nation's freedom, independence, and unity. Given all this and knowing that the Tudeh Party has from the past been directly affiliated with the Soviet Union, would it be included in the above law?

[Movvahedi-Savoji] The issue that you are referring to, as stated in "Paragraph B of Article 16," is something like this:

groups must avoid any kind of relationship, exchange of information, or conspiracy with embassies, agencies, government organizations, or political parties of foreign countries on any level and in any way in which this relationship, exchange, or conspiracy would harm the freedom, independence, national unity, or interests of the Islamic Republic of Iran. Well, naturally, any party, society, or organization which intends to have relations with the East or the West or any foreign government or party, and when this relationship would be contrary to the territorial integrity, independence, and interests of our regime of the Islamic Republic, the law would prohibit such activities, because such would be an open violation, the same as being a spy or a fifth columnist. You mentioned the Tudeh Party as an example. Of course, I must say that if this Tudeh Party is the same one which is well known as is its past, that is, if it is the same Tudeh Party which was formed in late summer of 1941 and existed during Mosaddeq--some of the members of which were executed after the 13 August coup d'etat, when the shah returned and those who remained became either SAVAK agents or among the important figures of the regime and a small number escaped and went abroad--if these are continuing along the same course, certainly they cannot be allowed to be active in this country. If the Tudeh Party or any other such group, organization, or society has been active so far, it was because the law for parties had not yet been implemented. And it cannot be said that their activities were legal. But now that the law has been ratified, all parties who are truthful and whose goal is the tranquility of this people and this nation must send all the details concerning their organizations, including their charters, bylaws, and the past records of their leadership cadre, to this committee, the "Committee for Article 10," so that if the committee determines that they are by no means in conflict with the Islamic Republic, the territorial integrity, and the constitution, the committee will grant them permits for their activities. And if they are contrary to what has been said, that is, if they are so-called fifth columnists and functionaries of the East or the West, they can never be allowed to legally and freely carry out their activities. The problem of the Tudeh Party must be determined by the committee. All the issues, including their relationship with those inside and outside the country, their bylaws, charters, and records of their leadership cadre, must be examined. If they are contrary to the law, naturally, their activities must be stopped. My view is not an official view. However, if you ask my personal opinion, they must not freely continue their activities.

[Interviewer] The law for parties states that parties and groups must not obtain any sort of financial and provisional aid from foreigners. Given this article, what do you think should be the correct way to support the groups, parties, and organizations?

[Mavvahedi-Savoji] This issue is very clear. Benefitting from any kind of financial or provisional aid from foreigners, as stated in "Paragraph C, Article 16" of the law for parties, is a violation. What is meant by this Paragraph of the above-mentioned Article is that the goal of establishing parties can be nothing but one of two things. They either want to secure the intentions and goals of foreigners or they want to move in the direction of the public interest, within a people's organization, which would have the approval of the people. If a party has been formed on the basis of correct, legal, and logical aims and goals, naturally, they can be self-sufficient. In other words, they can procure the funding for their organization themselves. For instance, if a society has 50 members, these 50 people have activities in proportion with 50 people. If the people have recognized them, they will help them because they will see that it is a good society. This aid depends on the amount and the size of the activities. Yes, the people will help them. And, the members of that society, if they believe in their own organization, will pay a monthly sum for the expenses of the organization. Together, this will provide for their expenses. But, if an organization is going to be fed from abroad, we must question what sort of help it wants to get. Would it be in the form of financial and cash aid or arms and military aid? If they receive cash aid, then we must ask what sort of party or society claims that it works for its own nation while the people do not accept it and do not help it and, consequently, it becomes dependent on foreign aid? If they want military aid and arms, again, it is illegal and is a violation. In any case, receiving aid from foreigners is not legal in any form or for any purpose.

4640

CSO: 4640/400

MUSAVI-TABRIZI DISCUSSES HYPOCRITE ACTIVITIES

GF231100 Tehran ETTELA'AT in Persian 8 Aug 82 p 9

[Excerpts] The Secrets of the Minigroups

The prosecutor-general of the revolution noted the secrets and the interorganizational documents of the minigroups and said: The documents that our forces have discovered show that the minigroups had plans on 20 and 28 June to explode bombs at the university and Majlis, attack Majlis representatives and officials and attack the Friday prayer services, especially in Tehran. Fortunately all these plots were discovered. A group totalling 80 people who were organized into 16 terrorist teams were arrested. In addition, 80 more people were arrested later. Some of these terrorist teams consisted of 4 or 5 people who had martyred between 80-120 Hezbollahi people, workers, Islamic Council members, guards, businessmen, grocers and mobilization members. All of them have been arrested and thank God they have been weeded out completely and their work has been halted. On 20 and 28 June they did not achieve anything in Tehran or other cities except for one incident which was quite an unimportant and feeble attempt.

One of their plans did succeed in killing martyr Ayatollah Sadduqi. Another devilish plan they had was to destroy factories, telecommunications, and the television station. But thanks to God it was discovered. A few days ago a car containing 70 kilograms of explosives that was parked in front of the post office was discovered very cleverly by our police brothers. This devilish plan was conceived by the hypocrite minigroup [Mojahedin-e Khalq Organization] and the supporters of Aflaqi Saddam with the help of the Iraqi regime. A few people were later arrested.

Terrorist Actions

With regard to the terrorist actions the prosecutor general said: In comparison to last year the number of terrorist actions has decreased a great deal. We have done two things to help minimize the number of these incidents: one of them is to round up, arrest and kill terrorist minigroup members and the other is to make the Hezbollah groups, committees and guards and the security councils more powerful.

Trial of Bani-Sadr's Colleagues

Our reporter asked what happened to the trial of Ghazanfar-pur, Ja'fari, Farhang, Zanjani, Entezaria, Dr Momken, Taqavi, Matin-Daftari and other people who were working with Bani-Sadr the traitor. Mr Musavi-Tabrizi said: All these people were not arrested in relation to Bani-Sadr. Some of them were spies and others were the supporters of the National Resistance Party. Some of them were tried in the revolutionary courts and sentenced. Others have asked for mercy and right now are involved in analysis and reading in the prison such as Gahzanfar-pur who will be tried. Some of them that have not been arrested yet or have their files in court but they are liable to prosecution.

Trial of the Supporters of the Former Regime

Our reporter asked the prosecutor-general: Recently the revolution courts have been working more with the cases dealing with the minigroups and counter-revolutionaries. What is the point of view of the court toward the trial of the supporters of the idolatrous former regime? How far have these trials gone?

The prosecutor general said: The court is doing other work besides investigating the minigroups. Now the responsibilities of the revolution courts have been divided and the cases of the idolatrous supporters of the former regime are investigated in the prisons.

Merger of the Revolution Courts

The prosecutor-general also discussed the rumors of the merger of the revolution courts with the Islamic Republic Ministry of Justice. He said: One of the plans of United States at the time of the revolution was to consolidate all of the revolution courts immediately. They told their spies 4 years ago that they do not want to see anything with the name of the revolution court or prosecutor. But thanks be to God after the student supporters of the imam besieged the nest of spies, we discovered these documents and reported to the imam. The imam from the beginning was a supporter of the revolution courts and helped to make them more powerful. Again the revolution courts were attacked and asked to stop work.

He continued that recently there was a call to close these courts but when we reported to the imam, the imam categorically ordered that the courts and the prosecutor offices should stay and even he issued some orders regarding the exact way that these two offices should work separately and with authority.

Trial of Qotbzadeh

The prosecutor-general commented on the trial of Qotbzadeh and the people who worked with him: since the file on Qotbzadeh and the people who worked with him is one file, these people will be tried in the same court together. The reason for postponing his trial was that since he was foreign minister, and was holding some other important positions, we have to investigate other reports about him. There are rumors that we do not want to try Qotbzadeh. These rumors are nonsense and Qotbzadeh and his friends will certainly be tried and sentenced as the judge decides.

CSO: 4640/450

HASHEMI-RAFSANJANI ON DELEGATION'S VISIT TO INDIA

LD201440 Tehran Domestic Service in Persian 1030 GMT 20 Aug 82

[Excerpts] Millions of our Muslim compatriots took part today in the nationwide religiopolitical Friday prayers. Tehran University also witnessed the participation of masses of Muslim and revolutionary people of Tehran at the very glorious Friday prayers today, just as on previous Fridays. This long-lasting Mohammadan tradition was held at Tehran University under the Imamate of Hojjat Ol-Eslam Hashemi-Rafsanjani. In his first sermon the ad interim Friday imam of Tehran discussed social justice in the economy from the viewpoint of the Koran and Islam.

In the second sermon Hojjat Ol-Eslam Hashemi-Rafsanjani referred to the official visit of the high-ranking Iranian parliamentary delegation to India, saying: Today the countries of the region and other foreign countries consider the Islamic Republic and the Islamic revolution of Iran as a very reputable reality with a very effective and moving influence on the world's general affairs. Our friends admit this reality by their words, and our foes by their deeds.

Mr Hashemi-Rafsanjani added: When we arrived in India the first question from the correspondents was: What is the opinion of the Iranian delegation on the nonaligned summit being held in New Delhi? Our reply became a headline as the main news on Indian radio and television. And the Indian Government formally announced its readiness to host this summit. The Iranian parliamentary delegation was warmly welcomed by the two big Indian chambers. During a meeting between the representatives of the Indian chambers and the Iranian parliamentary delegation many questions on various matters were presented to the Iranian delegation. And the representatives of both Indian chambers congratulated us for the stance adopted by the Islamic Republic of Iran in its approach to internal and foreign issues.

Mr Hashemi-Rafsanjani added: Iran and India have much in common. Both countries were (?liberated) by the struggle of their people and gained independence. Both countries have bitter memories of British colonialism. Both countries have emerged victorious in their fight against colonialism today. And another factor common to the two countries is that in India more than 60 percent of the Urdu language is derived from Persian and many buildings in this country have Persian names.

Referring to the many other aspects common to Iran and India, Mr Hashemi-Rafsanjani said:

[Begin recording] One important aspect to which Iran should attach importance is that there are more than 100 million Muslims in India. Of course, in their (?general statistics) it is said that there are approximately 80 million Muslims, that is, 11 percent of the population. [passage indistinct] One hundred million Muslims, that is, two and a half times the number of Iranian Muslims. And it should not be easy for us to remain indifferent toward India. This is also true for India, a country with 100 million Muslims who are interested in the Islamic Republic, cannot be negligent in its relations with the Islamic Republic of Iran. At this point I must mention that the Indian Muslims are like other Muslims elsewhere. They are not indifferent toward our republic. They are so sensitive, so sympathetic and so aware. They have great sympathy with the revolution and the Islamic Republic. I am not exaggerating, the same fervor that I can see in you at today's Friday prayers, which is a symbol of the emotions of the people of Iran--God is my witness--I saw in the congregation in which we participated in India. [End recording]

As he continued the second sermon Hojjat Ol-Eslam Hashemi-Rafsanjani referred to the recent crime committed by the hypocrites organization [Mojahedin-e Khalq] when they martyred three self-sacrificing guards, saying: This cruelty reveals the dimension of crimes committed by the hypocrites. Even the Mongols did not torture the people so badly. The hypocrites act contrary to what they say. They committed a crime that even wolves do not commit. [sentence as heard] This was the best way of showing the nature of the hypocrites.

Finally Hojjat Ol-Eslam Hashemi-Rafsanjani addressed our Muslim Arab brothers and sisters and read a sermon in Arabic. In this sermon he talked about Saddam's defeat because the venue of the nonaligned summit was removed from Baghdad. He exposed Saddam's plot in trying to smash the ranks of the non-aligned movement by insisting that the nonaligned foreign ministers' conference be held in Baghdad.

CSO: 4640/450

IRAN

MONTAZERI RECEIVES DEPARTING ALGERIAN ENVOY

LD201246 Tehran Domestic Service in Persian 1030 GMT 20 Aug 82

[Text] The Algerian ambassador, whose term of office in the Islamic Republic of Iran has come to an end, met with His Eminence Ayatollah Montazeri in Qom yesterday. The Central News Unit reports that during the meeting the Algerian ambassador first referred to the valuable experience which he gained from the Islamic revolution during his stay in Iran, saying: I consider this revolution as a turning point of hope for the world's deprived and meek, and I am fully aware of the peoples' interest in and welcome for this revolution. I hope to be able, in connection with my (?work), to convey the valuable message of Iran's Islamic revolution wherever I may be, as dictated by my duty.

Then His Eminence Ayatollah Montazeri thanked him, wished the two Muslim nations of Iran and Algeria success and honor, and said: Endowed with the rich and genuine Islamic culture, the world Muslims should come to their senses as soon as possible, should regain their Islamic personality and should liberate themselves from this [word indistinct] and other colonialist systems based on reliance on the Eastern and Western superpowers and should embark on renewing their life on the basis of the divine values crystallized in Iran's Islamic revolution.

He also addressed the members of the Nonaligned Movement, saying: One should not confine oneself to chanting slogans. These countries that deem themselves members of this movement should actually, and in practice, sever all their political, cultural and military dependence on the colonialistsuperpowers of the West and East and should rely only on themselves.

Referring to the present situation with regard to the imposed war, His Eminence Ayatollah Montazeri then said: Ever since the time when it was subjected to an attack by the infidel Saddamist army, despite the fact that no appreciable assistance was given to it, and despite all the unstinting and free assistance received by the Iraqi regime from the Eastern and Western blocs, our country has maintained the struggle until now when with God's help it is on the threshold of final victory.

His Eminence Ayatollah Montazeri, referring to the superpowers' plot and their political deal on Afghanistan and Lebanon aimed at crushing the Palestine

movement and the destruction of the Muslim peoples of Lebanon and Palestine, then added: Now that the superpowers are holding in their hands the fate of the world and by using force and bullying and by turning the United Nations into their playthings are regarding the right of veto as their exclusive property, the countries of the Third World, which are members of that organization, should rise against this heinous injustice and by resisting their anti-human law they should regain their religious and lawful right.

According to the same report Mr Khalkhali, deputy of the Qom people, Mr 'Abdollah Nuri, the imam's representative in the construction crusade; and Mr (Fallahyar), deputy to prosecutor general of the Islamic revolution, also separately met and had talks with His Eminence Ayatollah Montazeri about issues connected with their sphere of activities.

CSO: 4640/450

BRIEFS

INDIAN NUCLEAR AID SOUGHT--Khomeyni's so-called Islamic Republic regime has resorted to begging India to help complete the unfinished Iranian nuclear power stations. Hashemi-Rafsanjani revealed this fact, saying that some negotiations have been held with Indian officials (?and that) India can help Iran in this matter. Hashemi-Rafsanjani claimed that the Islamic Republic does not wish to turn to the West for help to complete its nuclear projects. The power stations that the regime wishes to complete are the ones which were being built during the shah's reign. Khomeyni used the construction projects as a vehicle to attack the shah. At that time the united communist and Khomeyni front encouraged the people to oppose the power stations and the programs of the former regime by twisting the facts. Yet now the Khomeyni regime wants to complete these projects. The assertion by Hashemi-Rafsanjani about Tehran's unwillingness to turn to the West for help is a baseless claim. Repeated requests by the regime of the mullahs did not get any positive replies from the FRG or France and therefore the Khomeyni regime was forced to ask India. We remind you that the Indian nuclear facilities were built by Canada and France. [Text] [GF181022 (Clandestine) Free Voice of Iran in Persian to Iran 1500 GMT 17 Aug 82]

TORTURE, KILLING GUARDS DENIED--According to the report by the FVOI correspondent the Mojahedin-e Khalq organization in Paris has issued a communique denying statements made by the Khomeyni regime on the torturing of three annihilated guards of the Central [Revolution] Committee of Iran and calling it a shameful lie. The communique said that the radio and television of Khomeyni deceitfully said that the Mojahedin have tortured and killed three guards. In this television show, Lajvardi, the executioner of Evin, and an imposter who was pretending to be a member of the Mojahedin-e Khalq insisted on the accuracy of this lie. The Mojahedin-e Khalq organization in its communique mentioned that the rightful movement of the people of Iran against the sponsors of killing, torturing and suffocation does not need to torture the guards of Khomeyni. However, it looks like the Khomeyni regime, in order to hide its inhuman face from the people of Iran and the world and all the international organizations that support human rights, does not have any other way except to put on shows that do not fool anybody. The communique said that if the Khomeyni regime is telling the truth about this accusation, it should let the world organizations come to Iran and investigate the torture of prisoners, the murders of opposition members and the violations of human rights. [Text] [GF181422 (Clandestine) Free Voice of Iran in Persian 1500 GMT 17 Aug 82]

KHOMEYNI'S VISITORS--Mr Hashemi-Rafsanjani and the members of the high-ranking delegation of our country following their return from India were received by Imam Khomeyni, leader of the revolution and founder of the Islamic Republic of Iran, this morning and submitted a report on their recent trip. Also Hojjat Ol-Eslam Musavi-Kho'ini, the imam's representative and supervisor of Iran's pilgrims, met with the imam of the nation this morning and submitted a report on the work done in connection with the issue of the pilgrims. According to this report Hojjat Ol-Eslam Val-Moslemin Hoseyn (Nuri), the imam's representative and the Friday imam of Hamadan also met with the imam of the nation this morning. Families of martyrs from Babol and Tehran accompanied by a group of supply personnel of the Islamic Revolution Guards Corps and a group of Muslims from outside the country also met with Imam Khomeyni, the hope of the world oppressed, at Jamaran Mosque this morning. [Text] [LD181550 Tehran Domestic Service in Persian 1030 GMT 18 Aug 82]

SECRET EXECUTIONS IN EVIN--The merciless wave of murder of the combatant people of Iran at the hands of the colonialist-made Khomeyni regime has intensified. According to reports we have been receiving dozens of the youth of our homeland are being executed in Evin prison every night. Their bodies are then transported to the deserts around the capital in Islamic guard trucks. The news of the nightly transport of the executed prisoners has been obtained by monitoring the transmissions of the transceiver sets used by the regime's guards. Meanwhile, officials in the Khomeyni regime and other so-called clerical organizations have intensified their requests for stronger actions against the Iranian freedom-seekers. The reactionary regime of mullahs in the past few days has begun an intense propaganda effort in the mass media on this topic. [Text] [GF181648 (Clandestine) Free Voice of Iran in Persian to Iran 1500 GMT 18 Aug 82]

AZARBAYJAN CLASHES REPORTED--Reports from western Azarbayjan say that armed clashes between hardline opponents of the Islamic Republic and Islamic guards are continuing. During the last 48 hours, numerous members of both groups have been killed. According to these same reports, one of the most intense clashes took place at Sardasht and a large number of the hireling guards have been killed or wounded. A rumor is also circulating in Sardasht that the opponents of the Khomeyni regime have strengthened their ranks and intend to resist attacks by Khomeyni's mercenaries using the latest combat tactics. [Text] [GF201800 (Clandestine) Voice of Iran in Persian 0330 GMT 20 Aug 82]

MA'ADIKHAH-QOTBZADEH LINK--Sources in Tehran say that Mullah 'Abdolmajid Ma'adikhah, the former Islamic guidance minister of the mullahs, was dismissed in connection with the arrest of Sadeq Qotbzadeh. Although this report is only a rumor the Free Voice of Iran correspondent reports that at the time of Sadeq Qotbzadeh's arrest and also due to the charges leveled against Khomeyni's former foreign minister, differences surfaced in the ideological cabinet of Hoseyn Musavi-Khamene'i. It was at this time that there was a rumor of a cabinet reshuffle and the dismissal of some of the ministers in the mullah government. The Free Voice of Iran correspondent says that [words indistinct] on the basis of the expulsion of the clergy man 'Abdolmajid Ma'adikhah from the mullahs' government in connection with a protest against the Qotbzadeh issue have not been obtained. [Text] [GF201644 (Clandestine) Voice of Iran in Persian 0330 GMT 20 Aug 82]

BRIDGE EXPLOSIONS--According to our correspondent, a strategic bridge near Sardasht in Kordestan Province was completely destroyed yesterday in a series of hardhitting operations by the combatant forces opposed to the criminal Khomeyni regime and with the support of the Peshmergas of the Kurdish Democratic Party of Iran. At present, the city of Sardasht is completely besieged by the Kurdish resistance forces. The same report adds: The Friday imam of Sardasht who is Khomeyni's representative in this city escaped to Tehran and then was summoned to Qom by Mullah Montazeri to explain about the destruction of the Sardasht bridge. The Paris correspondent of the Free Voice of Iran says that the Mojahedin-e Khalq office in Paris has claimed responsibility for the raid. A communique issued by this organization said that its combatants, with the support of Kurdish freedomfighters, have dealt a heavy blow to the illegal regime in Tehran by destroying this key bridge and occupying Sardasht completely. [Text] [GF201850 (Clandestine) Voice of Iran in Persian 0330 GMT 20 Aug 82]

ASSASSINATION OF ISLAMIC GUARDS--According to our correspondent the Mojahedin-e Khalq [MKO] office in Paris has stressed that armed resistance against the guards of the Khomeyni regime is the most important order of the day. In its message, the MKO noted that armed resistance across the country to destroy the guards of the reactionary regime, break its suffocating spell and prepare for the general uprising of freedom must be at the top of the struggle program against the Khomeyni regime. The guards of this regime, as the direct agents who carry out the most barbaric types of destruction and suffocation in history, must be the targets of armed resistance forces. The guards of the anti-human Khomeyni regime who suffocate the smallest cry of freedom or complaint by the people of Iran and answer the complaints of the people with bullets in streets and alleyways are directly involved in torture, execution and murder by firing squad of thousands of Iranian children. They must not be safe from the attacks of the armed resistance forces even for one moment. The message also predicted another attack by the forces of the Tehran regime against Iraq and asked freedom-loving groups within the army to target the Khomeyni regime instead for the sake of peace and freedom in Iran and to stop the waste of people and national wealth. [Text] [GF220746 (Clandestine) Free Voice of Iran in Persian to Iran 1500 GMT 21 Aug 82]

HANGING IN ESTAHBANAT--One of the agents involved in the murder of the martyr Hajjat Ol-Eslam Haj Sheykh Ahmad Faqihi, the former Shar' magistrate of the Islamic Court in (Sharg-e Fars) District and two of his bodyguards, was hanged on the platform of retribution. According to the Central News Unit, the execution of this 23-year-old hypocrite named Asadollah Zahedani, son of Haji, who was a resident of (Fasahul) was carried out yesterday morning in the presence of the Hezbollahi nation at the Estahbanat sports stadium. The public relations office of the Estahbanat public prosecutor's office issued a communique about this (?stressing) that this execution is a warning to the supporters of this American minigroup which has not yet repented after all those crimes of murder, homicide and torture and is staining its hands with the blood of these dear ones. The blood of martyrs will always catch the murderers and bring them to justice. A dreadful fate awaits them in the hereafter. [Text] [GF220750 Shiraz Domestic Service in Persian 1500 GMT 21 Aug 82]

MINORITIES IN AZARBAYJAN--According to a report by our correspondent in Azarbayjan, the aggression and pressure by Hezbollahis against Armenians, Asyrians and the Sunnis increases daily. According to this report tragic cases of aggression have been noted in shame [even] in religious circles. It seems that the Tehran government has issued orders to stop such excesses which has endangered the security of Azarbayjan. Remarks by (Manuti), the Khomeyni-appointed Friday imam of Tabriz, concerning the need to respect the rights of the religious minorities are not unconnected with recent events in Tabriz and Reza'iyeh. [Text] [GF221928 (Clandestine) Free Voice of Iran in Persian to Iran 1500 GMT 22 Aug 82]

CSO: 4640/450

NORTHERN REGION GOVERNOR INTERVIEWED

Khartoum AL-SAHFAH in Arabic 29 Jun 82 p 3

[Interview with 'Abdullah Ahmad 'Abdullah, governor of the northern region, by AL-SAHFAH, date and place unknown]

[Text] With the election of regional governors for the next stage, our country may have achieved great progress toward decentralization and the reinforcement of popular participation in the government. Rule has shifted to the people, through regional governments, after they exercised their right of electing the new governors. It went to those who were perceived as able and willing to continue the course of decentralization, in which we have made great progress.

Our progress in decentralization will be confirmed by what the regional government achieves in the coming stage, especially since each citizen in each small part of the vast Sudan will be exercising his authority and competency; decisions no longer come from the central power.

With regard to what was achieved in the past and what the citizen can look for in the future, AL-SAHFAH conducted this quick interview with Professor 'Abdullah Ahmad 'Abdullah, Governor of the Northern Region.

At the outset of the interview, the governor said: "It was my honor to be elected Governor of the Northern Region for the next term, and I am very proud. With God's help, I shall strive to achieve the aspirations of the masses of citizens of the region. It is my belief that we have set our country on the true and appropriate course. We have made great progress in that direction. The regional government is a unique and progressive form of decentralized government. The regional government is the result of long Sudanese experience in decentralized government.

"Regional government is the result of thorough, technical studies, and the result of a profound political dialogue in which various groups of people took part. Therefore, regional government was not arrived at haphazardly or through a decision which was not thought out. Therefore, regional government came in order to completely suit the environmental, geographical, cultural and hereditary characteristics by which Sudan is distinguished."

[Question] If our country has made progress in regional government, the question that arises is what were the most important concerns that preoccupied a regional government in the past?

[Answer] Certainly, the previously concluded stage was one of laying the groundwork. All of the concerns were limited to the state of this foundation. This certainly includes the establishment of the government's machinery and organizations, through which the citizens can assume power and use to serve themselves and further their lives. The citizens of the region are aware of what the region needs and know the priorities of the projects that the region requires.

Another point that preoccupied us in the recent past was the government organizations' preoccupation with the concerns of the people's daily lives and productivity, in working toward smashing the bottlenecks and striving for the availability of consumer goods, as well as directing the distribution methods.

Moreover, one of our most important concerns was the elimination of the principal obstacles faced by agricultural production, with a continuous effort to make the basic inputs available. The importance of this aspect becomes clear in view of the vast agricultural lands that this region enjoys and the streams of water across its territory.

Furthermore, we have been concerned in the past with concentrating on enumerating, studying and learning about the region's natural and human resources, preparatory to drawing up a comprehensive growth plan for the region.

[Question] All this leads us to another question. To what extent was the government successful in the past in applying itself to those problems?

[Answer] In all those concerns, we encountered tangible success. The political system in the region undertook its political tasks of raising consciousness, mobilization, information and active participation in establishing the government's executive, legislative and popular organizations. A great many different kinds of conscious leadership actions entered into those organizations.

The executive apparatus was completed, and the ministries exercised their functions in terms of service, guidance and development. The 1981-82 budget was accomplished with efficiency, and the 1982-83 budget has been prepared.

The People's Regional Assembly was very active, reflecting the people's exercise of their full rights in that important legislative body. The assembly carried out its tasks in accounting, following-up, and introducing and enacting legislation, in integration and harmony with the executive apparatus. The assembly's sessions clearly reflected the healthy, democratic climate in which the delegates fully exercised their rights in introducing and enacting legislation to achieve progress for the region.

In addition to this, the local popular government is based on all levels, or rather, the provincial assemblies exercise their duties with great enthusiasm. Then, the middle and basic level assemblies will exercise the duties authorized for them.

[Question] If the government has been able to make great strides in laying the groundwork, then to what extent has the regional government succeeded in providing the essential services, such as education, health and so forth?

[Answer] The past was a period of special concentration on health and educational services. We have made great strides in modernizing those principal services. We implemented the developmental budget for 1981-82, which amounted to about 7 million pounds in various fields.

In truth, the shift in power to the masses has greatly helped to promote those services. The citizens are participating with everything they have in the establishment of educational and health services organizations, so as to achieve a better life for their region.

This participation has resulted in the opening of three new commercial schools, which began operating this year in 'Atabarah, al-Qarir and al-Ghabah. Moreover, three intermediate religious institutes will open this year in the Northern Region in Arqu, Karimah and al-Tar'ah, to join with the venerable institutions of the Nile Province.

This year will also see the opening of two secondary schools for girls in 'Atamur and the village of al-Tadhamin.

As regards health services, the citizens' participation is clear. There are 10 hospitals built with self-help throughout the region. In the future, the government will concentrate on continuing these services and will strive to expand education and create new areas in vocational education. We shall also strive in the future to modernize the existing hospitals, to provide equipment and materials for them and to concentrate on specializations. The government will also work diligently to support the new hospitals under construction.

[Question] Since you have reviewed the concerns of the past and the level of services offered, could you give us a picture of the next stage?

[Answer] One of the most important challenges of the next stage is to continue to strive to clarify and guide the relationships between the regional government and the central agencies. The most important of those relationships are the financial, employment and legislative relationships.

There must also be guidance of the healthy coexistence between the regional government and the local popular governments, in order to insure the effectiveness of provincial and other assemblies and to provide them with means of governing through the training of leadership, managerial and technical cadres. The next stage will be one of continuing to improve, of concentrating on services and entering into some regional growth projects. The next stage must also see attempts to increase the regional government's own resources and to create financial and investment channels in order to achieve the desired goals.

The coming stage is one of activating the assets hidden in each region, in an attempt to increase resources, so that the citizens can reap the fruits of decentralization.

EASTERN REGION OFFICIAL DISCUSSES PLANS

Khartoum AL-SAHFAH in Arabic 20 May 82 p 3

[Text] Sulayman 'Uthman Faqiri, Deputy Governor of the Eastern Region, talked to AL-SAHFAH about the issues of the regional administration since the selection of Hamid 'Ali Shash as governor of the region up to this transition period (18 months) starting with the regional administration's having entered a new phase with the election of the governor of the region and, consequently, a new government for the Eastern Region.

Sulayman 'Uthman Faqiri says that the tasks undertaken by the regional government during this period have been:

1. Establishment of constitutional institutions.
2. Establishment of facilities for the regional administration.
3. Lifting the burdens from the shoulders of the people.

Constitutional Institutions

In regard to constitutional institutions, Sulayman 'Uthman Faqiri, Deputy Governor of the Eastern Region, says:

The selection of Hamid 'Ali Shash as governor of the Eastern Region and the formation of its regional government was followed by the establishment of the executive machinery and, subsequently, filling jobs in the ministerial structures and formation of the secretariat general of the government, in addition to offices, homes and means of transport for the employees.

Regional Peoples Assembly

That was followed by elections to select members of the regional peoples assembly and preparation of a site for the assembly. The president of the republic inaugurated the activities of the assembly which immediately set about its tasks.

Area Assemblies

There was also the formation of assemblies for regions of the local peoples government, holding elections and defining the powers of these assemblies which began to carry out their responsibilities on the anniversary of independence at the beginning of this year.

Political Machinery

In connection with the political machinery, conferences were held at various levels culminating in the convening of the first conference of the Sudanese Socialist Union for the Eastern Region during the first week of last January. Three departments to round out the regional departments were laid out, the region's committee was selected and recommendations and decrees were drafted concerning the process of services and development in the Eastern Region and the regional government and secretariat set about implementing the conference's decisions and recommendations.

Regional Government Complex

Among the tasks which the government of the Eastern Region endeavored to carry out was the issue of the role of the government. It did this by creating the offices of the various ministries and housing for the ministers and directors. It also selected an appropriate site for regional government complex which would include the various ministries and homes of the ministers. Work will begin on the first phase of this project next July, the outskirts of the city of Kassala on the Khartoum-Port Sudan road having been chosen as the site for constructing the governmental complex.

Lifting Burdens

After the establishment of the regional government, the governor of the region and members of his government toured all areas of the Eastern Region to meet with the people and to get a firsthand acquaintance with their problems in order to let the people have a hand in adopting solutions--whether long term or urgent--to resolve their problems completely.

After the tour which covered various areas of the region, the cabinet convened to study the situation in the light of the findings of the tour of the area and the meetings with the people in order that it could lay out a working plan on well-studied and scientific bases in conformity with the capabilities of the regional government to solve the problems, particularly health and education problems as well as those of electricity and water. Praise be to God, the government took extensive steps toward finding solutions in line with the plan.

Supply Situation

The government of the Eastern Region faced up to the supply problems, including commodities and petroleum material, and set down sound bases for ensuring

that they would reach the consumers at fair prices taking into account the fact that the scheduled quota was insufficient since the Eastern Region is attracting more people. Despite these pressures the supply situation is considered good and the governor of the region and the minister of finance and economy are in constant touch with the Ministry of Finance and Economic Planning and the Ministry of Cooperation, Commerce and Supply to provide the region's quota of commodities and materials.

Development of the Region

Sulayman 'Uthman Faqiri, Deputy Governor of the Eastern Region, says that the region has major economic advantages in the areas of agriculture--both plant and animal husbandry--industry, mining and fish resources, etc., from the Red Sea.

The government of the Eastern Region has drafted proposals for development on the regional and local levels and has begun to implement them, focusing on supporting the development projects which were initiated before the establishment of the regional government.

Encouraging Agriculture and Industry

The regional government has not stood idly by regarding national development projects within the region since it believes that these will have an effect on the national economy.

We therefore find that the regional government has worked with other quarters concerned to make a success of the (al-laquit) operation to raise productivity and the regional government has made the necessary contacts to provide petroleum materials and also has drafted a plan to modernize the al-Qash project and Tukara farmers by bringing in earthmoving machinery for preparing irrigation ditches and canals and dams and to change the traditional pattern of agriculture in the two projects to provide food for the people of al-Qash and Tukara and also for their cattle by expanding the planting of durra.

In the field of mechanized agriculture in the al-Qadarif area, the regional government worked to provide petroleum supplies for the past agricultural season and there was a noticeable expansion in the areas cultivated. We also began preparations for the new season and we hope to increase the area exploited since Arab capital is finding all possible encouragement to invest in this area.

The regional government has endeavored to encourage the private sector to invest in the field of industries in accordance with the authorization granted to the governor of the region. This also applies to the mining sector where the government has encouraged the private sector and Arab capital.

Integration

With regard to integration, Sulayman 'Uthman Faqiri, Deputy Governor of the Eastern Region, says:

In the light of the speech delivered by our leader, President Gaafar Mohamed Nimeiri, and the speech by Hamid 'Ali Shash, Governor of the Eastern Region, during the opening session of the Regional Peoples Assembly, broad outlines for a conception of integration of the Eastern Region with its neighbors, Saudi Arabia, the Arab Republic of Egypt and the Democratic Republic of Ethiopia, and the appropriate committees completed drafting a formulation for integration with the three neighbors. We are now in the process of drafting a conception for integration with the Northern and Central Regions.

Accomplishments and Negative Factors

This has been the experiment of the regional government during the period up to now. Although this was a short period of time, we can say with complete confidence that there have been major accomplishments though some negative aspects have emerged while putting things into practice. We are not disregarding them but rather are always examining them in order to correct the future course of things.

There have been some failures accompanying our work on the executive machinery with regard to priorities in providing services and there are problems inherited from the days before establishment of the regional government. They have taken a great deal of effort to find urgent solutions for them. However, this has not satisfied the ambitions of the regional government since they are band-aid solutions to cope with the situation, not basic solutions for problems encountered by the regional government. Therefore, the regional government will make a deliberate study of basic solutions for these problems, problems such as electricity and water for example.

Coordination of Efforts

One of the fine things the regional government has done for the Eastern Region is the fact that all agencies in the region, political, legislative, executive and popular alike, are almost entirely coordinating their efforts in the work there and are generating a feeling of shared responsibility toward a single goal, that is, the renaissance of the Eastern Region. All those agencies have begun to work side by side with no sensitivities and without any quarter grabbing at the powers and authorities of other quarters. A spirit of collective action has pervaded various agencies in the Eastern Region. The credit for these splendid accomplishments goes to the wise leadership of Hamid 'Ali Shash, Governor of the Eastern Region, in the light of the directives of President Gaafar Mohamed Nimeiri.

The Political Machinery

Concerning the political machinery, Sulayman 'Uthman Faqiri, Deputy Secretary and Governor of the Eastern Region, says:

The effectiveness of the political machinery is attributable to its means of contact with and movement among the masses to enlighten them about the ideas of the revolution and to find out their problems in order to find solutions

for them in conjunction with the executive machinery and to monitor that closely.

There was a period of stagnation that influenced the effectiveness of the political machinery because it was not responsive to events but this did not affect the Eastern Region alone but was nationwide. This prompted our commander the president and chairman of the Socialist Union to reach his decision to dissolve the secretariat general and the political bureau and to form the central committee.

We also benefitted greatly from the debates in the meetings of the peoples committee and the specialized committees. We worked with the regional committee in laying out a work program for the various levels of the political machinery in the region, particularly the group and mass organizations.

A start was made in carrying out the program by holding meetings along with keeping an eye on implementation of the recommendations and decisions of the region's first conference while the political machinery was playing its role in instilling awareness of the election of the governor of the Eastern Region. There is also a plan of action for movement regarding the third state of President Ja'far Muhammad Numayiri, President of the Republic, and for reconstituting the machinery of the Socialist Union to play its next role.

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CSO: 4504/421

UNITED ARAB EMIRATES

BRIEFS

BUDGET DEFICIT--Observers paused for a long time to ponder the figures in the United Arab Emirates budget for 1982-1983 totaling 22.0 billion dirhems, especially since there is a deficit, for the first time, of more than 2.28 billion dirhems. There was a difference of opinion regarding the causes of the deficit. Some said it was due to the dispute between Abu Dhabi and Dubai over the determination of the size of the share of each in the budget. Others said it was due to the current economic situation in the world oil market after the Emirates lowered their production. But this appears to be an unlikely cause in view of the fact that a financial study indicated that the current economic calculations of the state require the production of 810,000 barrels a day while present production is more than a million barrels. Moreover, its financial reserves are estimated at about \$38 billion. There remains a third and more realistic cause. It is concealed by the fact that the purpose of showing a budget deficit is to inform indirectly the concerned governments that receive aid from the Emirates that the latter's situation is now such as to prevent them from continuing the policy of unlimited "giving." It is clear from a report put out by the Arab League that the total export revenues in the emirates during the 1970s was about \$74 billion. [Text] [London AL-HAWADITH in Arabic No 1328, 16 Apr 82 p 43] 5214

CSO: 4404/444

DEPUTY PRIME MINISTER FOR ECONOMIC AFFAIRS DISCUSSES OIL, OTHER ISSUES

London AL-MAJALLAH in Arabic No 125, 3-9 Jul 82 pp 43-44

[Interview with Dr Hasan Muhammad Makki, deputy prime minister for economic affairs, in San'a', by 'Abd al-Wahhab al-Mu'ayyad: "We Are Searching for Oil in Yemen and Hope to Find It Soon!"]

[Text] "Many nations rely on resources from foreign countries."

Dr Hasan Muhammad Makki, deputy prime minister for economic affairs, possesses one of the most prominent economic and political minds in Yemen by virtue of the fact that he has specialized and engaged in work in these two fields for more than 20 years and by virtue of his broad experience and education. He has occupied several [government] posts, the most prominent of which was that of prime minister. In several cabinets he served as minister of economy. Furthermore, he was the first chairman of the board of the Yemen Bank of Reconstruction and Development. He has also served as deputy prime minister, minister of foreign affairs, and as ambassador in several Arab and foreign nations.

Since the formulation of the Yemen Arab Republic's second 5-year plan, which has been allocated more than 28 billion riyals, and since the holding of the International Yemen Development Conference--during last April--which discussed this 5-year plan, a number of questions have arisen concerning both the present status and future of Yemen's development and economy as related to this ambitious plan. There has been a great deal of talk about it--about its dimensions, purposes, [sources of] financing, and the results which it will achieve. AL-MAJALLAH met with Dr Makki and held an interview with him concerning Yemen's economic situation.

[Question] In the International Yemen Development Conference, during which the Yemeni 5-year plan was discussed, most of the experts asserted that it was necessary to follow an orientation of accumulating savings and relying on stable domestic sources [of financing]. They felt this way because the plan, to a large degree, relies on loans, foreign aid, and remittances from Yemeni workers abroad for its financing, and these are sources of financing which are not stable and cannot be guaranteed. What domestic sources of financing could constitute alternatives to these sources of financing? What

do you feel is the potential, the approaches, and the means for creating and developing these [domestic sources of financing]? How long would it take Yemen to achieve this? And to what degree do you expect petroleum production to be one of these alternative sources of financing?

[Answer] This question brings us back to the development conference. The fact is that the second 5-year plan has had to confront constructive criticism in this regard. However, this was no surprise to us. The reason for this is that, in the Plan Committee and in the Central Bureau of Planning, we had already discussed this subject and it had already been thoroughly studied. But we have proceeded from a position of reality. Reality [always] makes itself felt. We had hoped, and are still hoping, that the degree of financing from our own sources would be bigger. But it is no disgrace that we are relying on foreign aid and on remittances from Yemeni workers abroad. We are not the first nation to do this. There have been many nations which, before having their own internal sources of financing and before accumulating their own savings, have followed this same path [that we are following] and are still attempting to obtain foreign aid to implement their projects. We out of necessity are relying on Arab and international aid to finance a great deal of the second 5-year plan, just as we did with the first 5-year plan. The reason for this is that we are unable to furnish any domestic sources of financing in excess of what we have estimated [that we will provide] for the plan. By means of conducting studies we have found that, in light of current Arab and international circumstances and in light of Yemen's present situation, it is possible for us to obtain this aid in order to implement the plan. The projects included in the plan are not luxury projects which could induce people to inquire as to the reason for financing them by means of aid and loans. They are, in most if not all cases, basic projects which will contribute toward the completion of [our country's] infrastructure. In other words, by means of these projects we will be completing our wire and wireless communications networks, airports, seaports, basic human services, educational system, university, vocational training, social services, etc. All of these are necessary projects. None of these projects are concerned with luxuries and entertainment. This justifies relying on receiving aid from our fellow-Arab countries and from countries friendly to us since we constitute part of this world just as do other nations which are doing their utmost to obtain aid from organizations and countries capable of participating [in foreign aid programs]. We are confident that we will carry out many of the goals of our 5-year plan, we are confident that our request for aid does not constitute a burden for others, and we are confident that, in the future, we will not require this degree of reliance on [foreign] aid for our financing.

Now let me address the other part of your question. Concerning the matter of accumulating savings and creating alternative domestic sources of financing, I would like to say that the first 5-year plan, the second 5-year plan, and the next 5-year plan all constitute, and will constitute, attempts to create our own means of accumulating savings and for discovering natural resources [in Yemen], both underground and above the ground, as well as offshore and even in the air. All of these are still possible alternatives. However, in

order to utilize any metal mined out of the ground, for example, it is necessary to have capital in order to utilize this mineral resource. We need to have the basic capital as well as the basic infrastructure consisting of roads, communications networks, schools, hospitals, and other services and the qualified personnel involved. It is necessary to have all of this before one can utilize these sources of wealth and convert them into a source of income. Otherwise these sources of wealth which exist will remain as they have been for thousands of years, without benefiting anyone.

We are searching for oil and hoping to discover it. But, as we all know, oil is a source of wealth which only announces itself when it [suddenly] appears. We are hoping that it will soon announce itself in Yemen. However, even if oil does appear, I do not believe that it will constitute a source of [financial] support for this 5-year plan. The reason for this is that, after oil appears, time, effort, money, and qualified personnel are required to turn this oil into a profit, and if oil appears today, this does not mean that it can be exploited and utilized tomorrow.

The Second 5-Year Plan

[Question] We notice that the second 5-year plan, for the most part, concentrates on projects which will not bring immediate economic yield. Also, we notice that it depends to a considerable degree on loans. Do you feel any apprehensions about taking out so many loans? [If so], what type of apprehensions do you feel? How do you feel that the nation, in the future, will be able to deal with this situation, when one takes into consideration past loans and loans with annual interest being paid on them?

[Answer] I share your opinion with regard to what you are saying about apprehensions concerning taking out so many loans and putting a burden on the budget when the time comes to pay off the loans. The fact is that economists in Yemen, in times past, have been the first ones to warn about the danger of indulging in taking out too many loans and have said that it is necessary to keep this danger in mind so that Yemen does not plunge into debt. For a long time now the decisions which have been taken have been guided by sharp eyes which have taken all dangers into account and which have stipulated that Yemen content itself with loans on easy terms provided by Arab and foreign nations and funds rather than taking out loans from commercial markets which require high interest payments. It is a fact, and history will bear out what I say, that this orientation has helped Yemen to achieve reasonable and acceptable growth, in spite of all of the difficulties which Yemen has faced. These loans and their interest rates have had their [negative] effects on this growth, but these effects have been slight. Both Yemen and Yemen's Central Bank, thank God, have acquired a good reputation because we [always] pay off our loans along with their interest on time. As a result, no one doubts that the Yemenis will meet their obligations. Some Arab and non-Arab nations have fallen into the trap of taking out commercial loans. This has constituted a burden for their budgets and has caused them to spend a high percentage of their income to pay off loans which they have accumulated and

which have high commercial interest rates. Yemen, fortunately, has not been one of these nations, and we [always] pay off our debts either by means of our own sources of financing, by means of loans with easy terms from the World Bank, or by means of the Arab development funds--either the Saudi [Fund for Development], the Kuwaiti Fund [for Arab Economic Development], or other Arab development funds. We also receive such loans with easy terms from countries which are friendly to Yemen.

[Question] Yemen brings in from abroad many experts in various fields--so much so that there is hardly an agency or organization which does not have them. Some of them are very highly qualified people. It is said that the nation, as a general rule, does not fully utilize these experts. In your view, what are the reasons for this? How do you feel that it is possible to make full utilization of their expertise--or else bring in only the necessary number of such experts in the fields of specialization which we need?

[Answer] These experts are people whom both Yemen and other countries cannot do without, whether the experts are Arabs or non-Arabs. Unfortunately the Third World as such suffers from this situation. We are not the only ones. Perhaps you know about the North-South dialogue and the special UN committees which are studying how to accomplish the transfer of technology and expertise from the industrial world to the Third World at the least possible cost so that this will help these nations [of the Third World] provide themselves with as much capital as possible. However, unfortunately, so far nothing has been accomplished. The new economic order hoped for from the projects expected to be carried out is still [something which has not been achieved]. But your question is a valid and objective one, and in it there is an appeal for us to make fuller use of these experts. This could be done by adequately training counterparts for these experts and by making the necessary resources available to the experts before they are brought in from abroad so that they do not arrive in the country and find that the resources and means which they require to do their job are not available, with the result being that their expertise is of no use. I agree with you that Yemen should endeavor, as much as possible, to utilize these experts. Not utilizing their expertise, or wasting their expertise, is tantamount to committing a double crime--the crime being that of not allowing our country to benefit from the services of these experts, and also not allowing them to offer their services to some other country. And Yemen is one of the countries in the developing world which best utilizes experts.

[Question] Experience has shown that some of the public sector projects in the field of agriculture are not successful. Why is this? And is the successful experience had by the private sector sufficient to rely upon and encourage the private sector? What role do you feel that the agricultural cooperative associations can play in this regard?

[Answer] Public sector projects in agriculture are something which are basic and which must continue. Many of these projects are necessary for the private sector enterprises, such as, for example, plant nursery,

veterinary, poultry farm, and other projects. It is true that there are some agricultural investment projects which have mostly not been successful, the reason being that they did not contain the elements of success. The fault here is not with the establishments, but rather the fact that the Ministry of Agriculture and its organizations have not been prepared to undertake a commercial agricultural project. This has recently impelled us to study in detail the projects of the public and mixed sectors in order to provide them with all of the support necessary to make them successful. We have also concentrated on the mixed and private sectors. In the private sector we have encouraged the owners of small capital in order not to deprive them of entering into small but successful projects. The reason for this is that, if we give no incentive to the private sector, all of the business would be concentrated in the hands of a few people. This is something which we do not wish to see happen because the private sector is a large and extensive sector. Our initial experience in this regard has been successful. The Agricultural Cooperative Credit Bank will be participating in this development just as the Industrial Bank has participated in the encouragement and development of light industries. The government will continue to support all sectors, and will continue to assure the success and spread of agricultural [cooperative] associations.

[Question] Do you feel that it is enough for the government to pursue an open-door economic policy in order to attract Arab capital for investment in Yemen? To what degree have the Arabs responded to this open-door policy so far? What are your expectations with regard to the future? Also, what fields do you consider to be the most extensive and most fertile for this capital?

[Answer] The open-door policy is in our hands, and we are the ones who are able to offer it as a policy. However, the phrase "open-door policy" is broad in its meaning, and it includes many things. One thing it includes is the desire to encourage Arab capital to be invested in production projects inside Yemen. The government has already announced and promulgated the Investment Law, and it has striven to provide support to the capital which has come to Yemen. This support, thank God, is appreciated [by the owners of this capital]. But the meaning of your question appears to be: Is this [open-door] policy enough to facilitate attracting capital [to Yemen]? The fact is that it is not sufficient. Many other factors must also be present, both in Yemen and in the countries of the investors. There must exist these factors as well as conscious understanding and a desire on the part of the owners of capital in the Arab countries having surpluses [to invest in Yemen]. [They should realize that] investing in Yemen is, in fact, the same as investing in their countries because everyone shares the yield on the investments and everybody benefits from the economic and political yield. This is because Yemen is part of the Arab world, and Yemen's progress and development benefit everyone, just as Yemen's backwardness and poverty are a burden to everyone. Initial results have been good and encouraging. But we hope that there will be a greater response, coupled with a greater degree of understanding, in the future. We are especially hopeful concerning this because Yemen is doing its utmost to train qualified Yemeni personnel, not only for

Yemen itself, but also for Yemen's neighboring countries which enjoy capital surpluses.

[Question] During the last few years the average per capita income in Yemen has increased in a manner which is both unnatural and not in keeping with [Yemen's] economic resources. This has been accompanied by a decrease in the purchasing power of the riyal. Faced with this situation, the government--automatically--several times made the decision to raise the salaries and wages of employees and workers. Naturally this step did not result in solving the problem. Could you please clarify for us the considerations and dimensions of this problem, both from the Yemeni domestic and from the international points of view?

[Answer] I am under the impression that you, in your question, have in mind the inflation which is taking place in the life of our Yemeni citizens and have used individual income as an example of this inflation. We hope that individual income will improve after the second 5-year plan and that we will attain the figure which we have chosen to be the rate of growth [of per capita income]. As for the decrease in currency exchange rate and the rise in prices, this is a worldwide phenomenon which has afflicted even the U.S. itself. As you know, during the U.S. elections a definite decision was taken to combat inflation. Also, the measures which have been taken have been meant to put a stop to inflation which has threatened, and is still threatening, the whole world. So far the results of these measures have not been much in evidence, and they cannot yet be considered to be stable results.

In Yemen we are able to say that--at least during the last few years--we have been able to freeze prices and allow them to rise only at a reasonable rate. According to the statistics of the World Bank and the International Monetary Fund, Yemen is one of the countries which has best been able to control inflation and prices, in particular, during the last few years.

[Question] What is the nature of Yemen's economic relations with the other Arab nations, and what are their most salient features? What role does Yemen play in developing these relations? Are there, or will there be, joint economic plans or programs?

[Answer] The fact is that Yemen has good relations with all of the other Arab countries, especially with those in the Arabian Peninsula. They are relations which are as old as the Peninsula itself. These relations have developed a great deal recently. They are based on the Yemenis who are living in all of these nations and working in all areas and fields with a spirit of affection and sincerity toward the nations where they are working. [These relations are also good because of] the balanced policy of the government which strives to achieve accord and harmony. You ask me whether or not there are joint economic plans or programs. As I have already said, Yemen welcomes the investment of Arab capital and hopes that in the future, when the nations of the Arabian Peninsula complete their concept of their plans and programs, there will be such joint programs.

[Question] Based on your past experience, what relationship do you see between knowledge of the theoretical sciences, which [Arab and Third World] students of advanced studies in the Western nations receive, and practical application in the Arab world or in the Third World generally? To what degree does the civilizational gap between theory and reality affect the potential for utilizing these personnel?

[Answer] This is an indisputable fact. Many developing countries have been affected by this incompatibility. It is still today considered to be one of the important problems which lead to negative results in the field of international cooperation between the industrially advanced countries and these [Third World] countries. One result of this has been what we today call the "brain drain" or emigration of scientists from their own countries to the countries where they have studied, such as the U.S. and the countries of Western Europe. This negative condition is a result of the difference between the civilizational reality of the advanced industrial countries and their systematic life, which has made life easy for Third World students who study there, and the problems and unsystematic approach which they encounter [in their own countries] and which contrasts with what they see in the countries where they receive higher education. However, many of them succeed in overcoming these difficulties by attempting to make others adopt their views or by lowering themselves to the level of others and following a flexible policy when dealing with the situation of backwardness [which exists in their own countries]. Some of them, for one reason or another, are unable to do this. They then find themselves compelled to emigrate or return to the countries where they studied, especially if they are attracted there by either material or human temptations or if they encounter difficulties in their fields of specialization which they cannot overcome and thus resort to emigrating to those countries which provide them with the possibilities and resources [which they would like to have]. Cases such as these are well known, and there is no need to cite any particular examples here.

So far there has been no solution to this problem and it is still being studied by many organizations and institutions, especially by the UN, in an effort to research the problem and come up with a solution. Of course, [the objective] is not to eliminate the brain drain to the Western nations, but rather to limit its negative effects on the backward countries. We should bear in mind that this situation affects not only the nations of the Third World. It may be strange, but it is true that the nations of Europe itself have also begun to suffer from a brain drain of their best personnel to the U.S. The reason for this is that they receive more tempting offers in the U.S. and because in the U.S. there are more opportunities to be creative and to apply their knowledge.

[Question] What comments do you have about the following subjects: the Gulf War, the 13 June 1980 agreement between North and South Yemen, the Conference of the Non-Aligned Nations, and the situation in the Arab world?

[Answer] The Gulf War is something which is painful and tragic for us, and I wish that it would end. The [13 June 1980] agreement represents the beginning of closer cooperation along the path toward uniting North and South Yemen. The Conference of the Non-Aligned Nations is an organization which is necessary and which has been created at the right time. It represents an alternative for all peoples who are struggling to achieve progress, prosperity, and a just peace. I wish this organization success. The situation in the Arab world is sad, painful, and frightening. We pray that God have the [Arab] leaders be reconciled with each other and solve their disagreements so that their policy can be a united one with regard to the [Arabs'] chief cause--the Palestine cause.

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